Committee of the Permanent Representatives Subcommittee meeting Nairobi, 21 September 2023 10:00 – 13:00 and 15:00 – 18:00 (GMT+3) Hybrid meeting Conference Room 1 and Microsoft Teams

Agenda item 5: Briefing on the Buildings Breakthrough: Towards near zero emission and resilient buildings by 2030.

This background document has been developed by the Secretariat to inform the Committee of Permanent Representatives on the upcoming Global Forum on Buildings and Construction, to be held on 6-9 March 2024, in Paris, France.

Following the presentation, Member States and Stakeholders are invited to engage in an exchange of views with the Secretariat.

Committee of Permanent Representatives/Member States

Global Forum on Buildings and Construction, 6-9 March 2024, Paris, France

Background document

Date: 21 September 2023 **Location**: Nairobi, Kenya

Background information

Under the Government of France's leadership, the French Ministry of Ecological Transition and UNEP as the host of the Global Alliance for Buildings and Construction (GlobalABC) will be co-organizing the – first of its kind – Global Forum on Buildings and Climate scheduled to take place on 6, 7 and 8 March 2024 at the Palais des Congres in Paris, France.

The overall objective of this Global Forum is to convene the Ministers in charge of buildings/housing/construction to reinforce intergovernmental collaboration on buildings and climate and gather all actors of the construction sector value chain to show their support and readiness to accompany governments to implement the transformation towards near zero and resilient buildings.

At the Forum, the countries that joined the **Buildings Breakthrough** (to be officially launched at COP28) will also announce the Buildings Breakthrough Priority Actions and countries supporting each action.

The issue

There is sufficient evidence and it is now widely recognized that the Buildings and Construction sector is a significant source of GHG emissions, a major consumer of natural resources and that climate change causes severe impacts on the built environment. Overall the situation is worsening and none of the objectives of existing multilateral agreements, especially those of the Paris Agreement on Climate, can be met without major progress in the sector. Buildings of the future need to be decarbonized along their lifecycle and be increasingly resilient to natural disasters.

The sector is responsible for 37% of energy and process-related CO2 emissions and over 34% of energy demand globally, with materials used in the construction of buildings (i.e. concrete, steel, aluminium, glass and bricks) estimated to represent around 9% of these emissions (UNEP, 2022). The <u>Buildings and Construction Global Status Report</u> issued annually by GlobalABC confirms a widening gap between the actual climate performance of the sector and the objective of decarbonization. In fast-growing developing economies, construction materials are set to dominate resource consumption, with associated GHG emissions expected to double by 2060 (UNEP, 2022). The built environment is also particularly exposed to climatic risks (floods, droughts, heatwaves, etc.). A typical building already standing or being

constructed today will still be in use in 2070 and beyond, but the climate it encounters will have changed significantly (UNEP, 2021).

In addition, inefficient buildings are a serious cost to development: added money for operation which is passed to tenants; heavier energy demands on often shaky grids that adds to energy poverty; poor ventilation that exacerbates pandemic vulnerability; accumulation of huge costs for future renovations.

The socio-economic opportunities

The Buildings and Construction sector is critical for our economy and prosperity. Efficient buildings are one of the biggest investment opportunities, worth an estimated \$24.7 trillion by 2030 in emerging market cities (IFC, 2019). The built environment is also responsible for ca. 7% of global employment or more than 200 million jobs, and accounts for 11-13% of global GDP (Race to Zero, The construction sector can pave the way for a green economic recovery), and between 9 and 30 jobs are created for every \$1 million invested in renovation and new construction, one of the highest rates across all sectors (GlobalABC, 2020).

Additionally, efficient buildings can cut energy demand by half or more, thus leading to significant cost savings.

From indigenous designs and local bio-materials to digitalization and transforming markets to manufacture and apply new technologies and circularity approaches, greening the buildings and construction sector presents great opportunities for innovation. Recent advancements in green building technologies have grown substantially and new technologies are constantly being developed to support green building initiatives as an outcome of the environmental, economic and societal benefits. The building sector responds well to complex situations by creating prototype solutions, innovations responding to local contexts and climate zones can be further supported and prototypes moved into mainstream solutions thereby creating new business opportunities in countries.

Transforming the way we design, construct and use our buildings is also essential for a large part of the population, often the most vulnerable. The buildings we live and work in are key to our well-being and inequalities in access to adequate housing increase vulnerability. Recognizing this, the buildings and construction sector needs to be treated as a key sector for the health and well-being of current and future populations. In certain regions, people spend around 90% of their time indoors - the way we build and use our homes is therefore essential for our wellbeing, and green buildings deliver better air circulation, reduced pollution, more comfort for homes and businesses, and greater access to electricity.

Taking action

Due to its structure and complexity, progress cannot be effective without a joint commitment from all partners in the value chain. Indeed, the interdependencies among various actors in the value chain are significant, and none can make commitments without the assurance that others will do the same.

This is why the ambition of the Global Forum on Buildings and Climate is to produce a global commitment framework for all the stakeholders involved in the planning, financing, design, construction and use of buildings. This commitment will make it possible to set common objectives and build mutual trust to move forward together. It's about strengthening the building value chain through the commitments of each segment.

The "Buildings and climate global pledge" will consist of: (i) a declaration of governments agreeing on the major facts and challenges, the principles to be followed for the decarbonization of the sector, an implementation framework, a commitment framework (Buildings breakthrough) and guidelines for partner engagement in key sectors, recalling previously established commitments; and (ii) voluntary commitments from partners of key sectors.

Ongoing efforts

The Global Forum on Buildings and Climate builds on the actions led by France, UNEP and the GlobalABC which is the leading global platform for all buildings stakeholders committed to a common vision: A zero-emission, efficient and resilient buildings and construction sector (see annex).

Since its creation at COP21 by France together with UNEP, the GlobalABC has facilitated a dynamic and global dialogue on the building sector and its essential role to accelerate our world's transition to net zero. Together with the UNFCCC Climate Champions, GlobalABC co-led UNFCCC's Marrakech Partnership for Global Climate Action, Human Settlements Pathway that sets the vision for the sector with ambitious decarbonization goals. GlobalABC is also a member of the Building to COP Coalition established for COP26, a group of sustainability-focused built environment NGOs and organisations working together, alongside the UN High Level Climate Champions, to achieve a zero emissions future at COP conferences.

In June 2022, at the Bonn Climate Change Conference, the government of France announced that France and the Kingdom of Morocco would co-lead the development of a Buildings Breakthrough as part of the Breakthrough Agenda and under the coordination of the UNEP-hosted Global Alliance for Buildings and Construction Secretariat. The Buildings Breakthrough and also the Cement Breakthrough will be launched at COP28 as the two last Breakthroughs under the Breakthrough Agenda. For more information on the Buildings Breakthrough refer to the annex.

The Global Forum on Buildings and Climate

The Forum will be hosted by France and will take place in Paris on 5-9 March 2024.

The two first days (5-6 March) will be dedicated to meetings of major networks and organizations/initiatives that are committed to transform the buildings and construction sector and can contribute to the dialogue with governments that will be gathered the following 2 days at the Forum. These two days (7-8 March) will gather government representatives together with a wide range of stakeholders from the buildings and construction value chain - from architects and manufacturers to financial institutions and investors, as well as civil society and international organisations, national and local governments etc. On the 7th the Forum will include invitation-only thematic workshops and roundtables, and on the 8th a closed ministerial segment at the end of which the declaration or pledge will be signed, highlighting key principles and actions that each category of built environment stakeholder needs to adopt to achieve decarbonized and resilient buildings by 2050, in alignment with the Buildings Breakthrough Target. Finally on the 9th a site visit is planned to visit the newly established Olympic games sites in Paris.

Linkages to UNEP Programme of Work

The Buildings and Construction sector is a critical sector to address the **three planetary crises** put forward in UNEP's Medium-Term Strategy for 2022-2025. It is responsible for almost 40% of global energy-related CO2 emissions and is essential for resilience and adaptation (Climate). It consumes ca. half of resources extracted and therefore increasing circularity, sustainably sourced materials and nature-based solutions in this sector is essential for ecosystem preservation and restoration (Nature). Finally, accounting for more than a third of all waste generated, the sector is one of the largest contributors to waste and has a key role to play in reducing pollution, including indoor air pollution (Pollution).

Creating a global movement, increasing commitments towards a zero emission, efficient, and resilient buildings and construction sector and ensuring a strong cooperation and coordination between countries in shaping and implementing ambitious strategies and policies for the decarbonization and resilience of buildings will contribute to the following MTS Outcomes:

1. Climate action:

- Outcome 1A: Decision-makers at all levels adopt decarbonization, dematerialization and resilience pathways.
- Outcome 1B: Countries and stakeholders have increased capacity, finance and access to technologies to deliver on the adaptation and mitigation goals of the Paris Agreement.
- Direct outcome 1.4: Sectoral partnerships and access to technologies for decarbonization, dematerialization and resilience are enhanced.
- Direct outcome 1.6: The private sector and financial markets apply sustainability and climate-friendly standards and norms as core values of the economy.
- Direct outcome 1.7: Public support and political engagement for climate action are catalysed.
- Direct outcome 1.8: Societal choices have shifted towards lower-carbon products and services

and sustainable lifestyles.

2. Nature action:

- Outcome 2B: Sustainable management of nature is adopted and implemented in development frameworks.
- Direct outcome 2.10: Sustainable value chains are adopted; product comparability is enhanced, and circularity is maximized.
- Direct outcome 2.15: Consumer awareness and behaviours have shifted towards products and services with lower environmental and nature footprints through digital nudging, green filtering, product labelling, certification schemes and value-chain indices.

3. Chemicals and pollution action

- Outcome 3B: Waste management is improved, including through circular processes, safe recovery of secondary raw materials and progressive reduction of open burning and dump sites.
- Outcome 3C: Releases of pollutants to air, water, soil and the ocean are reduced.
- Direct outcome 3.6 Resource efficiency and circularity in key sectors are improved.
- Direct outcome 3.11 Global advocacy catalyses the phase-out of most polluting products and practice.

Additionally, according to the IPCC, well-designed and effectively implemented mitigation actions in the buildings sector have significant potential to help achieve the SDGs, as they relate to **15 of the 17 UN SDGs** (IPCC, 2022), and in particular to 8 of them, namely good health and well-being (SDG 3), affordable and clean energy (SDG 7), decent work and economic growth (SDG 8), reduced inequalities (SDG 10), sustainable cities and communities (SDG 11), responsible consumption and production (SDG12), climate action (SDG 13) and partnerships for the goals (SDG 17) (IPCC, 2022 & DGNB, 2020).

Recommendations and relevance for the CPR

According to the IPCC, building sector mitigation policies can reduce GHG emissions by up to 90% in developed countries and up to 80% in developing countries, and lift up to 2.8 billion people in developing countries out of energy poverty – is it therefore critical that all countries adopt such policies, in addition to adaptation policies. The Buildings Breakthrough can be used to guide these policies by providing an end goal common to all countries.

The CPR could support this agenda by helping to mobilise their countries (i) to join the Buildings Breakthrough target and (ii) to engage and participate in the Global Forum on Buildings and Climate in March 2024. The GlobalABC Secretariat, which can be contacted at global.abc@un.org, stands ready to answer any questions countries may have.

Annex

• About the Global Alliance for Buildings and Construction

Founded at COP21 under the impetus of the French Republic, hosted by UNEP and with 280 members, including 39 countries, the <u>Global Alliance for Buildings and Construction (GlobalABC)</u> is the leading global platform for all buildings stakeholders committed to a common vision: A zero-emission, efficient and resilient buildings and construction sector. The GlobalABC aims to:

- Be a global advocate for the importance of the sector for global climate action, provide a
 common language for discussion among decision makers and be a catalyst for action by
 leading actors in the buildings and construction sector.
- Provide a neutral and trusted platform to set targets for decarbonization and resilience, track progress, track action and share knowledge and good practices.
- Provide the key measures for governments (national and sub-national) to adopt, helping them set priorities in their own strategies, based on their situation, e.g., using the GlobalABC regional and national roadmap process.
- **Support the private sector transition** with priorities and strategies towards business models focused on decarbonizing and increasing the resilience of buildings.

The essence of the GlobalABC, which is also its unique feature, is to bring national governments together around a common vision for buildings' decarbonisation and resilience. Having worked with governments since its inception on <u>roadmaps</u>, key measures and principles for decarbonization and resilience in the buildings and construction sector (see <u>here</u>), the GlobalABC is now working with the governments of France and Morocco to step-up international cooperation in the sector and define a global building decarbonization target and associated priority actions that governments around the world will need to commit to in order to meet the targets set by the Paris Agreement. This effort is part of the <u>Breakthrough Agenda</u> launched at COP26 by the UK government and is called the "<u>Buildings Breakthrough</u>".

• The Buildings Breakthrough Target: Near-zero emission and resilient buildings are the new normal by 2030

At COP26, the <u>Breakthrough Agenda</u> was launched with considerable success and attention, aiming at strengthening international collaboration on the decarbonisation of high-emitting sectors (Transport, Power, Hydrogen, Steel, Agriculture). Despite being a heavyweight for climate action (around 37 per cent of eCO2 emissions and over 34 per cent of global final energy demand come from buildings and construction), a Buildings Breakthrough however was not part of this agenda.

In June 2022, at the Bonn Climate Change Conference, the government of France announced that France and the Kingdom of Morocco would co-lead the development of a Buildings Breakthrough as part of the Breakthrough Agenda and under the coordination of the UNEP-hosted Global Alliance for Buildings and Construction Secretariat. The governments of France and the Kingdom of Morocco reaffirmed their coleadership of the Buildings Breakthrough target at the 13th Clean Energy Ministerial and 7th Mission Innovation (CEM13/MI·7), at the 2022 UN General Assembly, and at the COP27 Breakthrough Agenda Ministerial on 11 November 2022.

On 17 November 2022, at the COP27 Buildings Pavilion, the co-leading countries, together with the UK High-Level Climate Champion, the UNEP Executive Director, and multiple high-level country and initiative

representatives, joined forces issuing an official call to all countries to join the Buildings Breakthrough to accelerate the transition to sustainable buildings for everyone everywhere.

The Buildings Breakthrough target "near-zero emission and resilient buildings are the new normal by 2030" serves as a joint vision and a rallying point for all countries and has been co-created with the Buildings Breakthrough participating countries.

Buildings Breakthrough participating countries

As of September 2023, **24 countries** have joined the Buildings Breakthrough: Armenia, Austria, Canada, Côte d'Ivoire, Egypt, Ethiopia, Finland, France, Germany, Guinea-Bissau, Japan, Kenya, Liberia, Mauritania, Mongolia, Morocco, the Netherlands, Norway, Senegal, Sudan, Sweden, Türkiye, the UK and Zambia.

Next steps

The Buildings Breakthrough is expected to be officially **launched at COP28**, possibly at the Ministerial Meeting on Urbanization and Climate Change (6 December) that France and the Kingdom of Morocco have been invited to co-organise with other countries.

Buildings Breakthrough FAQ

1) How do countries express interest in joining?

Countries can send an e-mail or letter to global.abc@un.org:

- Confirming endorsement of the Buildings Breakthrough statement;
- Naming the ministry (or ministries) which is focal point for the Buildings Breakthrough;
- Naming a person (or persons) of director-level as focal point within that ministry for the Buildings Breakthrough.
- 2) What are countries asked to endorse upon joining?

Upon joining, countries endorse the statement 'near-zero emission and resilient buildings will be the new normal in 2030'.

- 3) Is there a financial commitment upon joining? No, there is no financial commitment.
 - 4) What is the anticipated time commitment expected from country focal points?

We will convene country focal points who joined on a regular basis, probably monthly or bi-monthly, via online meetings. The meetings aim to jointly establish global priority actions which will be validated at the Global Forum on Buildings and Climate to take place in March 2024. Beyond this, we invite country focal points to review background documents e.g. on actions proposed. We estimate a time commitment of ca. 1 hour/week.

5) What are the next steps after joining?

After countries have joined, they will be officially listed on the GlobalABC website and any associated communications materials as Buildings Breakthrough members. They will be kept informed on the Buildings Breakthrough process and invited to work on priority actions together (see further information on priority actions above). Countries who have joined are invited every 1-2 months to online meetings on progress where their input is requested. Representatives of relevant Ministries can also be invited to raise awareness and advocate for the Buildings Breakthrough at high-level and international events (e.g., Regional Climate Weeks, COPs).

- 6) Will my country's building policies be tracked and put on the spot after joining? We aim to establish global priority actions together with the countries that joined. These will be tracked on a global level. No individual country tracking is anticipated.
 - 7) Is the Buildings Breakthrough legally binding?

No. The Buildings Breakthrough is part of the Breakthrough Agenda and involves a non-binding commitment of countries towards "near-zero emission and resilient buildings being the new normal by 2030'.