SUBMISSION FROM THE MARRAKECH PARTNERSHIP NEXUS AREA WORKING GROUP ON EMPOWERING PEOPLE LIVING AND WORKING IN INFORMALITY

On launch of the 2025 MPGCA Work Programme, GCAA vision and plan for the next five years

August 2025

The co-chairs of the Marrakech Partnership Nexus Area Working Group on Empowering People Living and Working In Informality are pleased to make this submission to the Climate High-Level Champions to inform the next five-year plan for the Global Climate Action Agenda (GCAA).

Background to the Working Group

In 2024 the Climate Change High-Level Champion for COP28 convened two roundtables - in Bonn (June) and in New York (September)- bringing together non-state actors (NSAs) to elevate efforts to empower people living and working in informality, especially women, and to explore pathways for scaling such efforts. Building on these roundtables, a Special Event on Informality was held at COP29, and in the final Global Climate Action event the Climate Change High-Level Champion for COP28 announced the establishment of the **Marrakech Nexus Area Working Group on Empowering People Living and Working in Informality**.

Co-chaired by Joe Muturi (Slum Dwellers International) and Asma Jhina (Global Covenant of Mayors for Climate and Energy), the Working Group includes over 35 organizations as **members** across sectors and regions. It has structured its work around five strategic action areas:

1. **Amplifying Voices**
   Ensuring people living and working in informality are heard in high-level climate spaces and forums.

2. **Scaling Inclusive Action**
   Supporting local governments, civil society, grassroots groups, and the private sector to deliver transformative, replicable solutions.

3. **Shaping Policy Guidance**
   Producing tools to help countries and cities integrate informality into climate strategies (NDCs, NAPs, etc.).

4. **Building Capacity and Knowledge**
   Facilitating peer learning, training, and research partnerships.

5. **Bridging Formal–Informal Divides**
   Fostering meaningful collaboration between informal communities and formal

institutions, bringing the needs, priorities and solutions of informal communities into formal climate and development spaces and agendas.

The Opportunity and Urgency

One in five people globally live in housing without basic services—yet they remain largely excluded from benefitting from climate action and finance. These communities are disproportionately vulnerable to climate risks and contribute the least to global emissions. Inadequate housing, in terms of location, structural quality, and tenure security, is a primary driver of climate vulnerability for people living in informality. **Improving housing conditions and upgrading settlements are not only development imperatives but direct, measurable climate adaptation actions**. Integrating these into NDCs, NAPs, and climate finance frameworks will unlock co-benefits across resilience, health, and livelihoods.

Additionally, in low-income urban contexts, housing is not only a shelter but a site of economic activity. Many poor households rely on their homes as spaces for producing goods, sorting materials, or offering services. **This dual function of housing underscores its centrality in both livelihood strategies and climate resilience**. Therefore, targeted interventions need to recognise housing as a key pillar of climate action and a catalyst for inclusive social and economic development.

Over 1 billion people live in urban informal settlements, and this number is expected to double by 2050. At the same time, **2 billion people (58% of the world's workforce)** work in the informal economy, playing essential roles in transportation, construction, retail, and waste management—often in poor, urban areas. While their collective economic contributions are significant, their voices are rarely heard in the climate world.

Migration patterns further intensify the challenge. **A majority of displaced people settle in informal urban areas**, placing additional pressure on already strained infrastructure. Urban informal settlements have become default destinations for migrants and refugees, offering flexible and affordable housing options where formal systems have failed to respond adequately.

In Asia alone, **over 2.36 billion people live in cities—and another 1.1 billion** are expected to move to urban centres within the next two decades. While in **Africa its urban population is set to 1.4 billion** by 2050. Yet about 60–70% of the urban infrastructure these future cities will rely on is still to be built. This presents a unique opportunity: to embed social and climate justice into urban development now. But achieving this requires far more than the US $300 billion pledged at COP29. Meeting the actual need—around US $1 trillion per year by 2030—demands systemic reform and innovative finance mechanisms.

Informality in the Next GCAA Plan

This submission draws on the outcomes from the Working Group's five strategic areas and highlights the urgent need for the next phase of the GCAA to prioritize the

inclusion of informal communities at all levels - from identifying needs and priorities, design of policies and programmes, agenda-setting to governance and advisory positions. While people living and working in informality are already taking meaningful climate action, support for these efforts remains fragmented and insufficient.

The next 5-year GCAA should include a focus on:

- **Recognising, resourcing, and scaling grassroots efforts**.
- **Connect efforts to global frameworks** such as the COP30 Action Agenda, the Sharm el-Sheikh Adaptation Agenda, and the Race to Resilience.
- **Embedding informality into planning, finance**, and implementation mechanisms under the Marrakech Partnership on Global Climate Action (MPGCA).

Response to the Climate High-Level Champions' Questions

The Working Group has considered the five questions posed by the Climate High-Level Champions. These are all highly relevant, with **Question 3 being particularly important to ensure 20% of the global population living in informality is included in, and central to, climate action** - and not left behind. Specific comments to each question are provided below in concise and clear bullet points.

1. What should success look like for the GCAA in the next five years, and how can it be measured effectively?

By the end of the five years the GCAA should be able to clearly demonstrate that climate action has increased and is benefiting people living and working in informality. Specifically, it should have helped:

- **Increase public and private finance to those living and working in informality** and identified means of increasing climate finance flowing to those communities.
- **Provide evidence to help ensure that at least half of updated NDCs and NAPs explicitly reference adequate housing, settlement upgrading, and informal economy livelihoods** as adaptation priorities, and acknowledge waste pickers' contributions to reducing greenhouse gas emissions with payments for waste pickers as compensation for their contribution to GHG mitigation.
- Enable the tracking of **resilience outcomes among residents of upgraded informal settlements**, such as reduced loss and damage from climate-related disasters, improved thermal comfort, and reduced household energy costs.
- Support the **tracking of the impacts of extreme weather events on workers in the informal economy workplaces** and their coping strategies as a way to depart from their strategies in helping them strengthen adaptive capacity and resilience.

2. How can the GCAA facilitate direct and impactful engagement between Parties and NPS to support implementation efforts at both national and sectoral levels, in order to advance the full delivery of the Global Stocktake (GST), Nationally Determined Contributions (NDCs), and National Adaptation Plans (NAPs)?

Enhanced engagement between Parties and Non-Party Stakeholders (NPS) is needed to elevate the focus on meeting the needs of people living and working in informality through the delivery of the GST, NDCs and NAPs. Specifically, the GCAA should:

- Formalise the participation of informal communities into climate initiatives and engagements at all levels. This should also encourage the creation **of participatory climate governance fora from national to local levels as part of multi-level governance**.
- Create formal "housing and settlement resilience" dialogue tracks within the GCAA where CSOs, local governments, and community leaders co-develop priorities.
- Facilitate NDC and NAP consultation processes to include representatives from informal settlement and local CSOs working on shelter/housing and work
- Prioritize the **inclusion of organizations representing those living and working in informality in implementation labs at climate weeks and COPs** to showcase locally-led solutions, share evidence, and increase interface with Parties.
- Recognise organizations representing those living and working in informality for their contributions as vital to climate change solutions and supporting sustainable development within their communities.

3. How can the GCAA promote an inclusive and equitable engagement, in particular from underrepresented groups and regions?

Action to achieve inclusive engagement and participation of people living and working in informality should have a high priority in the next five-year plan.

- **Formalise and prioritise the inclusion of grassroots leaders and representatives of informal communities**, and ensure they are resourced appropriately to facilitate meaningful engagement in the GCAA and related groups / initiatives / dialogues held during regional weeks and COPs. This should include badges for the blue zone.
- Recognise housing practitioners and settlement upgrading actors as essential climate stakeholders, and include them in leadership and decision-making within GCAA actions.

4. What improvements can be made to ensure better transparency, reporting and follow up of the GCAA, including in existing tools such as the Global Climate Action Portal & the Yearbook of Global Climate Action?

Reporting and enhanced transparency of the GCAA can be improved through the following actions:

- The Global Climate Action Portal needs to be significantly improved so that it can be searched for actions that are benefitting people living and working in informality. This could include a "Housing and Informal Settlements" tag in the Global Climate Action Portal to track relevant projects, policies, and financing flows.
- The Global Climate Action Portal must also have links to other platforms that are capturing climate action solutions. Examples include **WeAdapt**, and the **Resilient Planet Initiative** and the COP30 plans for a granary of solutions. This is essential if the Portal is to play a role in accelerating climate action.
- The next five year plan should include a focus on **getting climate solutions into use** and this must be open to all stakeholders especially grassroot communities who are at the frontline of climate change. AI will have an important role to play in this but it must be democratic and inclusive and benefit communities including those living in informality.
- The Yearbook should include **an annual focus on how people and communities are benefiting from climate action**. This should include explicit information on actions that benefit people living and working in informality, and include narrative case studies alongside data to show lived impacts of climate action in informal settlements. This could be linked to Axis 5 objectives of the COP30 action agenda. It would also meet the challenge of COP30 to put people at the beginning and end of climate action.
- The Yearbook should include contributions from those working with informal communities, and should provide concrete feedback to all submissions to ensure a sense of transparency and acknowledgement of the effort put into submissions.