

## International Consultation Opens on Water Climate Bond Standard

### Future Guidance for Water Investments Takes Shape

**LONDON:** 23/11/2015: The Climate Bonds Initiative and consortium partners Alliance for Global Water Adaptation (AGWA), Ceres, World Resources Institute & CDP have released for public comment, the world's first standard for low carbon and climate resilient water bonds. The proposed [Water Climate Bond Standard](#) will bring a focus on vulnerability assessment and climate mitigation and adaptation planning to the fixed income space. It will allow investors to easily prioritise projects that are seriously considering their climate impacts and climate resilience.

The [Water Climate Bond Standard](#) has been developed by a Technical Working Group (TWG) and Industry Working Group (IWG) overseen by the consortium partners.

The TWG comprises internationally recognised academics and experts and the IWG has representation from investors, public utilities, water NGOs and international policy bodies.

The proposed Standard will certify water investments that have:

- i) carried out climate vulnerability assessments considering past, present and future climate risks and environmental losses and,
- ii) created resulting adaptation and/or mitigation plans.

The [Water Climate Bond Standard](#) will now undergo a 60+-day period of international public consultation, seeking investor, industry and stakeholder comment.

Marking the release of the Draft Standard, TWG and IWG members made the following comments:

**Mark T. Kim, CFO, DC Water said:**

"As a member of the industry working group, DC Water is proud to support the important work of CBI in establishing a Water Climate Bond Standard. Green bonds are becoming an important financing tool to address the impacts of climate change through investments in adaptation or mitigation. The Water Climate Bond Standards will serve as an important guide for issuers and investors alike."

**Torgny Holmgren, Executive Director, Stockholm International Water Institute said:**

"Generating the many billions in investment needed to improve global water security is an urgent challenge. This new Water Standard is an enormous step forward in setting a rigorous framework for institutional investors to assess fundamental, long term climate and sustainability based features of water projects when making their financial decisions."

**Betsy Otto, Global Director, World Resources Institute –Water Programme said:**

"We need to ensure that green investments in water infrastructure are truly green. This means meeting water needs while reducing carbon emissions, and using strategies that adapt to widely variable future water conditions, such as intense storms, floods, and droughts. These new Standards help set a higher bar for the investments we need to be making in the future."

**Eric Shellekens, Climate Adaptation Advisor, Arcadis Nederland B.V.:**

“To become resilient to extreme weather events and climate change impacts, cities and areas need to intensify and speed up developments in which resiliency has been incorporated. This is where green bonds addressing water issues could make and support the change. The Water Climate Bond Standards fill an existing gap to help guide both issuers and investors and to stimulate, identify and support the promising water projects that follow resilience pathways.”

**Dr John Matthews, Alliance for Global Water Adaptation (AGWA):**

“Climate change is altering the water cycle rapidly, globally, and profoundly. Our infrastructure for cities, energy, agriculture, and natural resource management are essential for our economies. The operating longevity of water infrastructure assets – over decades, even many centuries - means that they are at high risk of being orphaned as the climate continues to evolve.”

“As a water scientist, I believe this Water Standard has the promise of capturing many recent, important insights from a wide variety of technical disciplines and applies them in a way that can be compared and scored into a meaningful definition of resilient, low carbon water management.”

**Cate Lamb, Head of Water, CDP:**

“Water is one of the critical sustainability challenges of the 21<sup>st</sup> century. The Water Climate Bond Standard gives a robust and transparent guide to sustainability features of water projects, processes and infrastructure seeking investor support in the bond market. CDP welcomes their release for stakeholder consideration.”

**Sharlene Leurig, Director of the Sustainable Water Infrastructure Program at Ceres:**

“Strong investor interest in the green bonds market demands a high degree of rigor in performance reporting and the ability to differentiate truly green, climate adaptive projects from those that are green in name only. This standard is a first step to define what it means to be a climate-responsive water project, and Ceres and its investor partners welcome the insight of other market actors in the design of this critical global response to climate change.”

**Justine Leigh-Bell, Senior Manager, Climate Bonds Standards Programme:**

“This Water Standard is another stage in Climate Bonds efforts to develop sound, transparent guidelines around green bonds. Building the capital commitments needed to address water based security, sustainability and climate issues requires clear assurance frameworks for institutional investors on what constitutes a climate water bond. The release of this Standard marks a significant milestone in building these frameworks. “

Following the conclusion of the consultation period in February 2016 the proposed criteria will be reconsidered in light of the comments received. A revised Draft will then be submitted to the [Climate Bonds Standard Board](#) for consideration.

## Notes for Journalists:

**About Climate Bonds Initiative:** The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. For more information please visit [www.climatebonds.net](http://www.climatebonds.net)

**About the Water Standards Consortium:** Partner organisations are [Ceres](#), [World Resources Institute](#) (WRI) and [CDP](#).

**About Standards:** The Climate Bonds Standard is a screening tool for investors and governments which allow them to easily prioritize climate and green bonds with confidence that the funds are being used to deliver climate change solutions. Governance structures around standards development can be found [here](#).

**About Technical Working Groups (TWG):** Climate Bonds convenes a range of TWGs comprising experts from academia, international agencies, industry and NGOs to develop eligibility criteria for a Standard in each low-carbon investment sector. More information can be found [here](#).

A list of the Technical Working Group members can be found [here](#).

**Consultation Period:** The public consultation period closes at 17:00 GMT Friday 12<sup>th</sup> February 2016.

**For more information or comment, please contact:**

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