

**Water Criteria Phase 2**  
***Nature-based and Hybrid Water Infrastructure***  
**Opens for International Consultation**

**LONDON: 19/10/2017: 16:00 BST**

**Water Consortium Moves to Next Phase in Water Standards Development**

The Climate Bonds Initiative on behalf of the Water Consortium has released Water Criteria Phase 2 *Nature-based and Hybrid Water Infrastructure* for public consultation.

The Water Criteria is part of the overarching Climate Bonds Standard which provides investors with a verifiable, science-based screening process to evaluate bond investments bringing climate mitigation, vulnerability assessment and adaptation planning to the fixed income investment space.

The Water Criteria lay out the requirements that water infrastructure assets and/or projects must meet to be eligible for inclusion as a Certified Climate Bond. They provide a means for investors to easily categorise and prioritise water infrastructure projects against climate impacts and climate resilience factors.

The Criteria have been developed in two phases:

Phase 1 Criteria, covering engineered water infrastructure, [were released](#) by the Water Consortium to the market in October 2016.

[Phase 2](#) Criteria have [a focus](#) on nature-based and hybrid water infrastructure, such as wetlands and watersheds including for purposes as water collection, storage, treatment and distribution, flood protection and drought resilience.

The Phase 2 Criteria aim to:

- I. Certify water infrastructure that are compatible with a 2°C trajectory
- II. Ensure these assets and the surrounding ecosystem are adaptive and resilient to a changing climate

Water Phase 2 Criteria have been developed throughout 2016 and 2017 by a Technical Working Group (TWG) and Industry Working Group (IWG), convened by the Climate Bonds Initiative, Ceres, CDP, the World Resources Institute (WRI) & the Alliance for Global Water Adaptation (AGWA) acting in collaboration as a Water Consortium. AGWA is supported by the Stockholm International Water Institute.

The Climate Bonds Initiative is holding two [Webinars](#) to introduce the Criteria and describe the development process on Wednesday 25 October, 15:00-16:00 BST and on Monday 20 November, 16:00-17:00 GMT.

**John Matthews - Water TWG Lead Specialist, AGWA Consortium Representative**

“From my perspective as the lead of a global network focused on implementing freshwater resilience, the launch of credible evidence-based criteria for the long-term investment in ecosystems and hybrid infrastructure marks an enormous advance for the water and finance communities.”

**Karen Yacos - Director, Water infrastructure, Ceres Water Program**

“Recent, monstrous hurricanes in the U.S. underscore the critical need for widespread application of nature-based solutions to ensure that future water infrastructure is resilient and able to withstand growing extremes in weather. These criteria will help drive investment into innovative solutions urgently needed by municipalities around the world.”

**Cate Lamb - Head of CDP Water Program**

“Nature-based solutions offer us a range of exciting ways to work with ecosystems in order to adapt to and mitigate climate change effects, while improving sustainable livelihoods and protecting natural ecosystems and biodiversity. The development of the Water Criteria associated with these interventions provides us with an opportunity to scale up their implementation and strengthen their impact in mitigating some of the world’s most pressing challenges.”

**Todd Gartner - Senior Associate for the World Resources Institute’s Food, Forests & Water Program**

“Phase 2 of the CBI Water Criteria Standard will help investors, bond issuers and water customers have confidence that water infrastructure projects consider the benefits of hybridized natural and built systems, enhance water security and ensure resilience in the face of climate change. “

**Sean Kidney - CEO Climate Bonds Initiative**

“Promoting investment in climate resilient water systems within the natural and built environment is a vital part of wider climate action. The expansion of our Water Criteria is a reflection of the significance of water across ecosystem sustainability and its position at the core of social and economic development. “

**Ends**

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## Background Notes:

### Public consultation process

The Water Phase 2 Criteria will now undergo a 60-day period of public consultation, investor and industry comment closing at 17:00 GMT 14<sup>TH</sup> December 2017. Once public consultation is complete, feedback will be considered before a final draft is submitted to the [Climate Bonds Standard Board](#) for final approval. After Board approval, bonds financing nature-based and hybrid water infrastructure will be able to use the Criteria to apply for [Climate Bonds Certification](#).

The Consortium will then announce a release of the consolidated Water Criteria incorporating Phase 1 and Phase 2.

### The Climate Bond Standard and the Water Consortium

**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 [Climate Bonds Initiative](#).

**About Standards:** The [Climate Bonds Standard](#) is a screening tool for investors and governments, which allows them to easily evaluate 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](#).

**Climate Bonds Water Criteria Phase 1 Certifications:** Green Bonds from San Francisco Public Utilities Commission ([SFPUC](#)) and the [City of Cape Town](#) have previously been certified in Water Criteria.

**About the Water Standards Consortium:** Partner organisations are [Climate Bonds Initiative](#), [Ceres](#), [World Resources Institute](#), [CDP](#) and the Alliance for Global Water Adaptation ([AGWA](#)).

**About Ceres:** Ceres is a nonprofit organization mobilizing many of the world's largest companies and investors to take stronger action on climate change, water scarcity and other sustainability challenges.

Ceres directs the Investor Network on Climate Risk (INCR), a network of over 120 institutional investors with collective assets totaling more than USD 14 trillion. Ceres also engages with 100-plus companies, many of them Fortune 500 firms, committed to sustainable business practices. For more information, visit [www.ceres.org](http://www.ceres.org).

**About AGWA:** Founded in September 2010, the Alliance for Global Water Adaptation is a network of regional and global development banks, government agencies and ministries, diverse NGOs and the private sector focused on managing water resources in a sustainable way — even as climate change alters the global hydrological cycle. The AGWA network hosted and chaired by the Stockholm International Water Institute ([SIWI](#)). More information on AGWA is [here](#).

**About CDP:** CDP is a global not-for-profit organization, founded in 2000 and headquartered in London. CDP pioneered and provide the world's only global natural capital disclosure system where over 4,500 companies, representing over 50% of the market capitalization of the world's largest 30 stock exchanges, and 110 cities from 80 countries, report, share and take action on vital environmental information. More information [here](#).

**About WRI:** World Resources Institute (WRI) is a global research organization that spans more than 50 countries, with offices in Brazil, China, Europe, India, Indonesia, Mexico, and the United States. Their more than 700 experts and staff turn big ideas into action at the nexus of environment, economic opportunity and human well-being. They organize their work around six critical goals that the world must achieve this decade in order to secure a sustainable future: [Climate](#), [Energy](#), [Food](#), [Forests](#), [Water](#) and [Sustainable Cities](#). More information [here](#).

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