

## Media Release

### Climate Bonds launches new Climate Resilience Principles for US market Framework for accelerating climate resilient investments in green bond market

**New York: 24/09/2019: 06:00 EST:** Today at a meeting of the Global Adaptation & Resilience Investment Working Group ([GARI](#)), the Climate Bonds Initiative released for the US market new **Climate Resilience Principles (CRP)** – a high-level guidance for governments, investors and banks to determine when projects and assets are compatible with a climate resilient economy.

The Climate Resilience Principles were developed as a partnership between the Climate Bonds Initiative and the World Resources Institute (WRI) and Climate Resilience Consulting using an Adaptation and Resilience Expert Group ([AREG](#)), comprised of more than [30 specialists](#) from leading international authorities in the adaptation and resilience space.

#### Sean Kidney, CEO, Climate Bonds Initiative:

“Climate change is accelerating; the US is already experiencing crazy fires, hurricanes and floods, extreme because of the impact of climate change. While we work hard to reduce emissions to avoid catastrophic consequences, we now also have to address the challenge of what will be, unfortunately, a century of extreme climate volatility and rising sea levels.”

The Climate Resilience Principles will provide guidance for investors, companies and corporations – and for the green bonds market. It will be used by issuers as guidelines and embedded within Climate Bonds Certification for green investment.

An example: in a world first, last week the European Bank of Reconstruction and Development (EBRD) [issued](#) a USD700 million [Climate Resilience Bond](#) where the earmarked projects for the use of proceeds were selected and are managed [in alignment](#) with the Climate Resilience Principles.

#### Leonardo Martinez-Diaz, Global Director, Sustainable Finance Centre, World Resources Institute:

“The Climate Resilience Principles will help capital markets support countries adapting to climate impacts. We hope this will unlock a major source of finance and bring us closer to meeting the Paris Agreement’s goal of aligning all finance flows with climate goals.”

The Principles essentially require measures to be taken (in asset or project design, construction or adaptation) that ensure the asset or project is 'fit for purpose' in the face of a changing climate. They cover:

1. **Boundaries and interdependencies for assessing climate risks and resilience impacts are clearly defined**
2. **Physical climate risk assessment** undertaken - using both top down risk assessment and observed data.
3. **Risk reduction measures undertaken** – commensurate with coming climate change and operational life
4. **Climate resilience benefit assessment undertaken**
5. **Mitigation trade-offs** - the asset or activity must not lock in fossil fuels or undermine any international or national commitments.
6. **Ongoing monitoring and evaluation** as risks evolve

The Principles come at a time when adapting to climate risks opens new opportunities, in both developed and emerging economies, in areas including heat-resilient building materials, water-efficient technology, (embracing drip irrigation) and early warning systems for climate hazards, among many others.

#### Joyce Coffee, Technical Lead, Adaptation and Resilience Expert Group (AREG):

"These principles aim to increase funding and finance for climate resilience projects that ultimately make investments more effective, secure and durable. In the face of the climate shifts to come, strengthening of resilience factors across all facets of investment decision-making will help improve lives and livelihoods."

Climate Bonds Initiative will now reconvene sector-specific Technical Working Groups who will use the Principles to develop sector-specific Criteria so that green bonds delivering climate resilience can be recognised and certified under the Climate Bonds Standard, and certified bonds focussing on climate mitigation impacts are also addressing climate resilience.

All the recommendations within the Climate Resilience Principles are aligned with the proposals on adaptation in the EU Taxonomy of Sustainable Finance.

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Download the Climate Resilience Principles [Framework Paper](#)

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**About Climate Bonds Initiative:** Climate Bonds Initiative is an international investor-focused not-for-profit organisation working to mobilise the USD100tn bond market for climate change solutions. CBI carries out market analysis, policy research, market development; advises governments and regulators; and administers a global green bond Certification Scheme. Please visit <http://www.climatebonds.net>.

**About World Resources Institute:** WRI's mission is to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations. WRI focusses on seven urgent global challenges that must be addressed to reduce poverty, grow economies and protect natural systems: Climate, Energy, Food, Forests, Water, Sustainable Cities and the Ocean. For more information please visit <https://www.wri.org/>.

**About GARI:** The Global Adaptation & Resilience Investment Working Group (GARI) is a private sector, private investor-led initiative that was [announced](#) at Paris COP21 in conjunction with the UN Secretary General's Climate Resilience Initiative. The working group brings together private and public sector investors, bankers, leaders and other stakeholders to discuss critical issues at the intersection of climate adaptation and resilience and investment with the objective of helping to assess, mobilize and catalyse action and investment. [www.garigroup.com](http://www.garigroup.com).

**About Climate Resilience Consulting:** CRC works with governments, cities, NGOs and the private sector to build adaptation tools and resilience to climate stresses and shocks. For more information please visit <https://www.climate resilience consulting.com/>.

**About the Adaptation and Resilience Expert Group:** CBI convened an Adaptation and Resilience Expert Group (AREG) in [November 2018](#) to determine overarching principles for defining climate resilient assets and bonds. [AREG](#) comprises of over 30 specialists from leading international authorities in the adaptation and resilience space from academia, public and private sectors of climate science and practice.

#### AREG Members:

**Joyce Coffee**, AREG Technical Lead & CEO, Climate Resilience Consulting

**Puja Sawhney**, Coordinator, EU Switch: Asia SCP Facility

**Neuni Farhad**, Project Officer: Adaptation Research, C40 Cities Climate Leadership Group

**Karoline Hallmeyer**, Assistant Manager & ESG Advisor, KPMG

**Federico Mazza**, Adaptation Lead, Climate Policy Initiative

**Craig Davies**, Head of Climate Resilient Investments, EBRD

**Carel Cronenberg**, Head of Climate Resilient Investments (Associate Director-MRV Manager), EBRD

**Cinzia Losenno**, Senior Climate Change Specialist, EIB

**Emilie Mazzacurati**, Founder and CEO, Four Twenty Seven

**Josh Sawislak**, Strategic Advisor, Four Twenty Seven

**Carmen L. Lacambra**, Head of Research & Environmental Services, Grupo Laera

**Nathaniel Matthews**, Program Director Global Resilience Partnership

**Swenja Surminski**, Senior Research Fellow, Grantham Research Institute

**Celeste Connors**, Executive Director, Hawaii Green Growth

**Vladimir Stenek**, Senior Climate Change Specialist, IFC

**Jay Koh**, Managing Director, Lightsmith Group

**Aris Papadopoulos**, Founder, Resilience Action Fund, UNISDR-ARISE

**Kevin Bush**, Chief Resilience Officer, Washington D.C. Government

**Miroslav Petkov**, AREG Observer, Director, S&P Global

**Richard J.T. Klein**, Senior Research Fellow, Stockholm Environment Institute

**Peter Wheeler**, Executive Vice President, The Nature Conservancy

**Jenty Kirsch-Wood**, Senior Technical Specialist, UNDP

**Michael Cote**, Project Director Private Investment for Enhanced Resilience, Winrock International

**Carlos Sanchez**, Director, Climate Resilience Finance, Willis Towers Watson,

**Stephane Hallegatte**, Lead Economist, GFDRR, World Bank

**Niranjali Amerasinghe**, Senior Associate of Sustainable Finance Centre, WRI

**Karl Mallon**, Director, XDI

**Yoon Kim**, Ph.D. Head of Global Client Services, Four Twenty Seven

**Christine Lafon**, BNP Paribas

**Xianfu Lu**, Senior Climate Change Specialist (Adaptation) Sustainable Development & Climate Change Dept., Asian Development Bank

**John Thieroff**, Vice President- Senior ESG Analyst, Moody's Investor Service

**John Firth**, CEO & Co-founder Acclimatise

**Brooks Preston**, Managing Director, Macquarie Infrastructure & Real Assets Investments Ltd.

**Examples of investment in climate resilience:**

**TYPE 1: Investments that enhance the climate resilience of assets over their design lifespan**

- Resilient features in new infrastructure (e.g. building to meet/exceed minimum requirements that related to addressing climate change impacts)
- Upgrading and modifying existing infrastructure to be climate resilient
- Adding redundant infrastructure and pre-positioning resilient infrastructure to prepare for the climate future
- Relocation of at-risk infrastructure
- Multi asset, multi-action adaptation projects, that may include a series of timed or triggered upgrades
- Use of climate resilient crops (e.g. drought resistant seeds) and drip irrigation for agricultural production systems, stormwater storage, grain storage, soil rehabilitation, conservation agriculture, climate resilient livestock infrastructure (e.g. cooling sheds, emergency shelters), novel fodder species and enriched feed for livestock etc.

**TYPE 2: Investments that aim to increase the climate resilience of the broader system**

- **Water (Extreme Precipitation, Drought):** Flood defence, wetland protection, stormwater management, rainwater harvesting, waste-water treatment relocation, strengthened water distribution systems, desalinization plants, etc.
- **Buildings (Extreme Precipitation, Extreme Temperatures):** Green roofs and walls, water retention gardens, porous pavements, etc.
- **Forestry (Extreme Temperatures, Fire Weather):** Wild brush clearing, species diversification, transmigration of species more capable of survival, afforestation and reforestation, mangrove conservation and replanting, etc.
- **Energy (Hurricanes/Typhoons/Cyclones):** Grid resilience, back-up generation and storage, etc.
- **ICT (Extreme Precipitation, Extreme Temperatures, Hurricanes/Typhoons/Cyclones):** Strengthened data distributions systems, climate monitoring and data collection that is applied to inform and build community resilience such as early warning systems, relocation or social networks etc.
- **Health (Extreme Temperatures):** Treatment for diseases that might increase due to climate change, treatment of respiratory conditions from wildfires.

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