

Climate Bonds releases new Climate Resilience Principles

Framework for accelerating climate resilient investments in green bond market

LONDON, 17/09/2019: 12:00 BST: Today the Climate Bonds Initiative has released the **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.

Coordinated by a partnership between Climate Bonds Initiative, World Resources Institute (WRI) and Climate Resilience Consulting, development of the Climate Resilience Principles was undertaken by an [Adaptation and Resilience Expert Group \(AREG\)](#), comprised of more than [30 specialists](#) from leading international authorities in the adaptation and resilience space, drawn from academia, not-for-profit, public and private sectors of climate science.

The CRP enhance standards across the global green finance market and provide a comprehensive, robust framework to evaluate the appropriateness and the effectiveness of climate resilience investments.

They include, but go beyond, a requirement for robust analysis of climate risks. They also 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.

The CRP 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.

The CRP are aimed at both new and existing investment in both built and natural environments.

- They recognise that infrastructure design and construction today must incorporate the climactic conditions of tomorrow, the expected volatility and extremes already 'baked in' to our global systems
- They require that measures are taken in asset or project design, in construction or retrofits, that ensure the asset or project is 'fit for climate purpose' over its operating life
- They recognise that the definition of 'fit for purpose' must now automatically include climate resilience and adaptation measures, or that the project itself must increase the climate resilience of broader systems and networks within the built environment or natural ecosystems

Acting as a best practice guide, the CRP will become part of [Climate Bonds Standard V3.0](#) and the process for Climate Bonds [Certification](#) of green bonds and other debt products. They will progressively flow into individual Sector Criteria through the existing Technical Working Group (TWG) process, building on those Sectors where climate resilience features already exist.

The CRP can be applied to new and existing investment in both built or natural environments with respect to hard infrastructure and supporting services.

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

Joyce Coffee, Technical Lead, Adaptation and Resilience Expert Group

"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."

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."

Sean Kidney, CEO, Climate Bonds Initiative

“The climate conditions of tomorrow are already appearing. Investing in system resilience will increasingly take its place beside mitigation action as fundamental pillars in the financial response to the climate emergency.”

“Infrastructure, systems and network provision must be cognizant of the volatility and extremes to come, as does the investment decision making process. The CRP will provide an additional layer for analysis and assessment embedded within Climate Bonds Certification for green investment, enhancing its science-based best practice characteristics for determining climate-based investment.”

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Notes for Journalists:

About the 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. The Climate Bonds Initiative carries out market analysis, policy research, market development; advises governments and regulators; and administers a global green bond Certification Scheme. For more information, 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 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: Climate Bonds Initiative convened an Adaptation and Resilience Expert Group (AREG) in [November 2018](#) to determine overarching principles for defining climate resilient assets and bonds. The [AREG](#) comprises of over 30 specialists from leading international authorities in the adaptation and resilience space from academia, not-for-profit, public and private sectors of climate science and practice:

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. Lacabra, Head of Research & Environmental Services, Grupo Laera

Nathaniel Matthews, Program Director Global Resilience Partnership

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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

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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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