

Climate Change, Sustainable Development and Investors

More Risks  More Opportunities,
through better governance

Climate impacts



Source: NASA

Risky times

Global Risks Report

The 5 risks most likely to
happen in the next 10
years

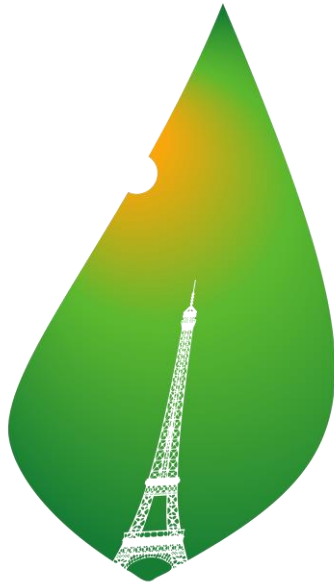
	rank
Extreme weather events	1
Natural disasters	2
Cyber attacks	3
Data fraud or theft	4
Failure of climate change mitigation & adaptation	5

Source: Executive Opinion Survey 2017, World Economic Forum

Climate change is.....

- amplifying existing risks to assets (storm intensity, drought)
- causing new risks to ecosystems and assets (ocean acidification, sea level rise)
- making more communities vulnerable, unequally
- causing potentially irreversible changes
- disturbing supply chains and business models
- prompting **new policies, regulation and governance**
- reducing the value of climate-unfriendly assets

Paris Agreement – global commitment to low-carbon climate resilient economies



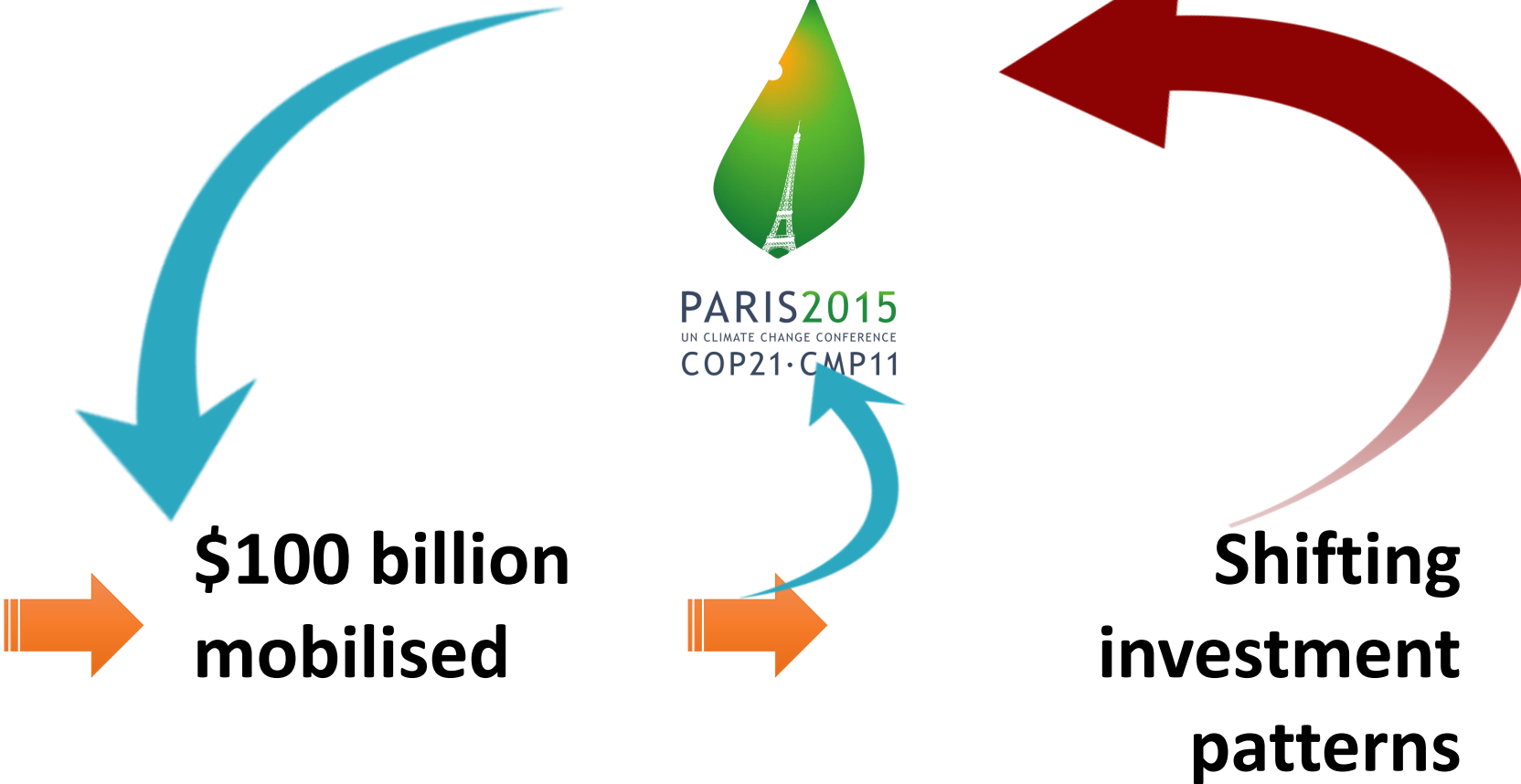
PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

(a) 2°C /1.5°C (Art 1, Para 1.a.) target

(b) Improving adaptation capacity, climate resilience and development (Art 2, Para 1. b.)

(c) Making **finance flows** consistent with these goals (Art 2, Para 1.c.)

The Paris Agreement & shifting the trillions...



Broad consensus: Transformation is needed AND possible



G19 - Hamburg

Paris Agreement on
Climate Action is
“irreversible”

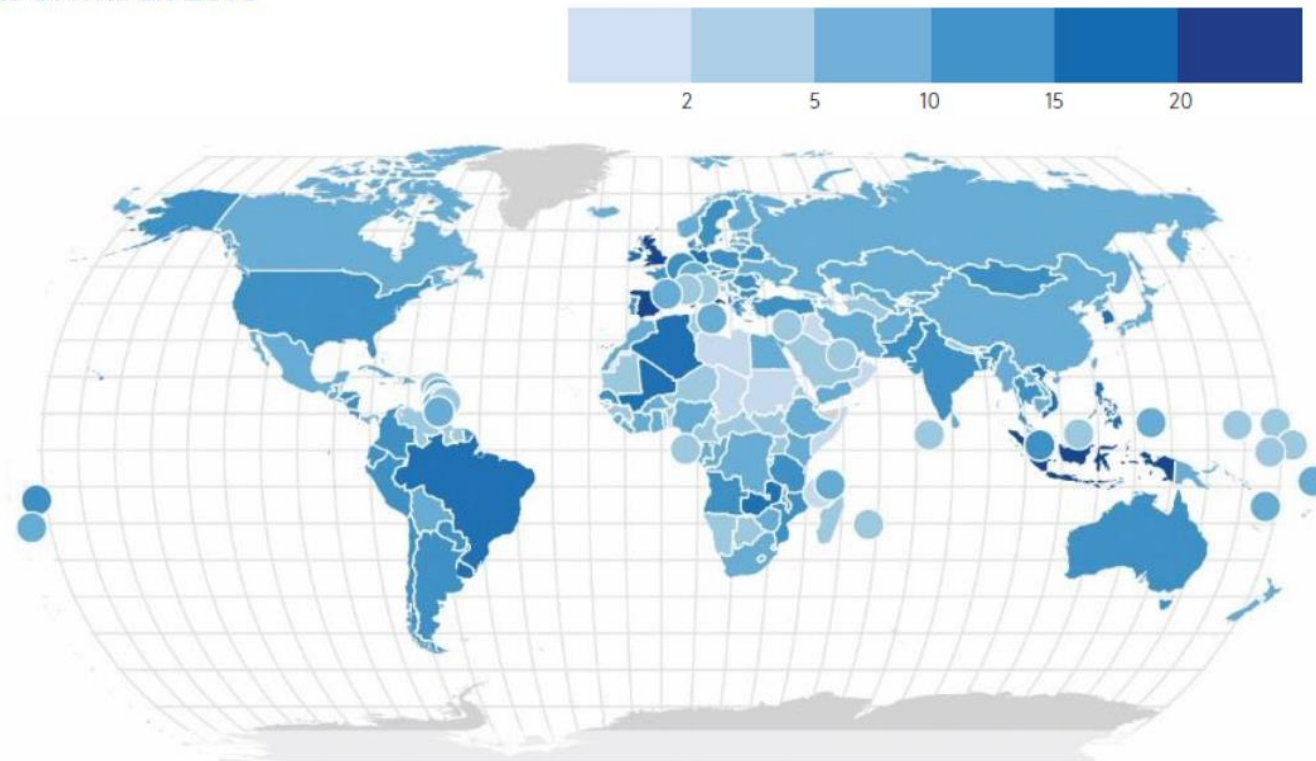
Providing means of
implementation
– notably climate finance
is key

Mobilizing investment
through
strategic use of public
resources

Response: climate change policy, law and regulation



as of March 2018



20 fold increase since 1998

Progressive action from developing countries – focus on resilience

The Number of Climate Laws and Policies passed around the world, as at March 2018

Source: LSE Grantham Research Institute on Climate Change and the Environment, 2018

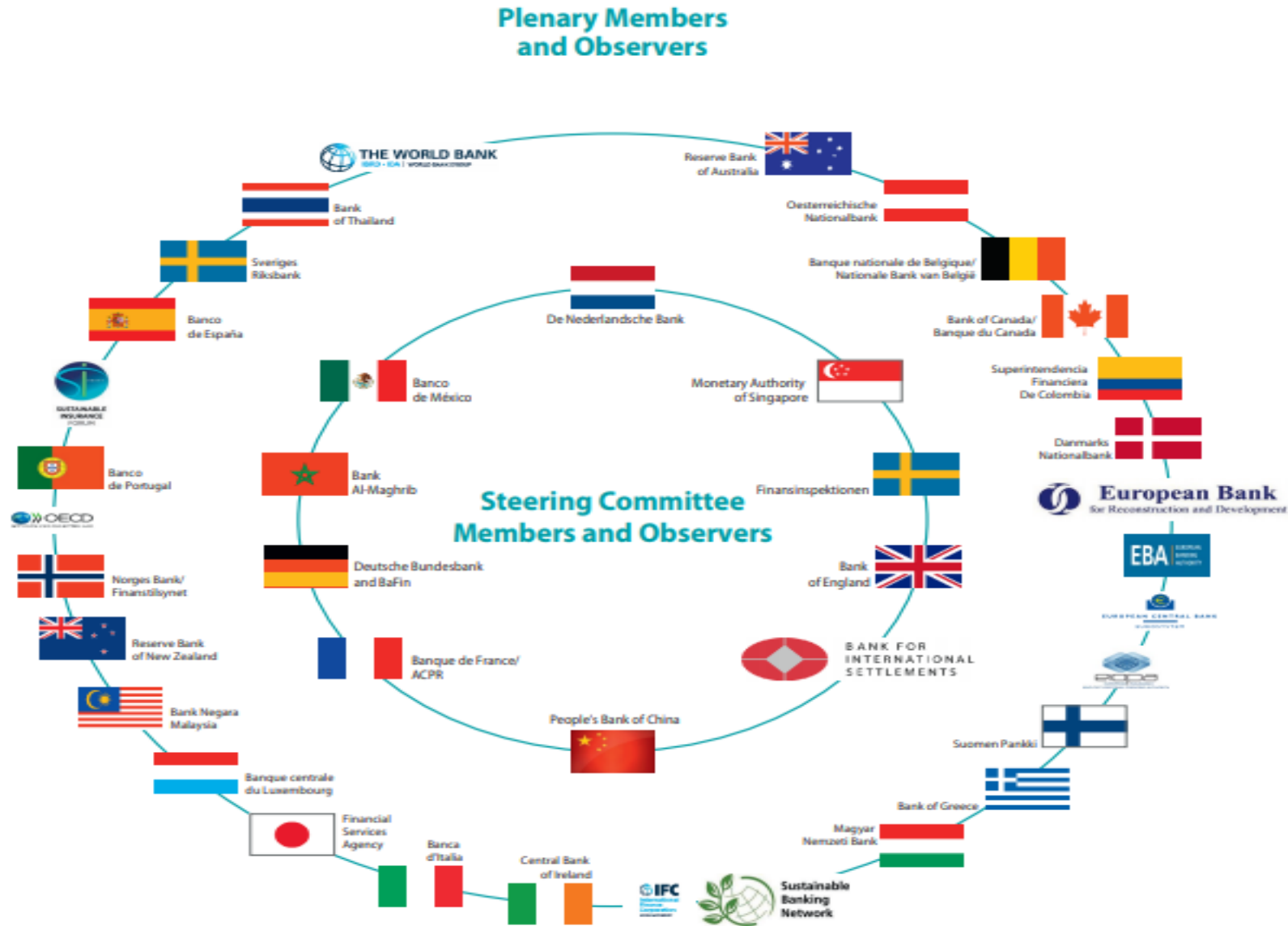
Response: financial system resilience



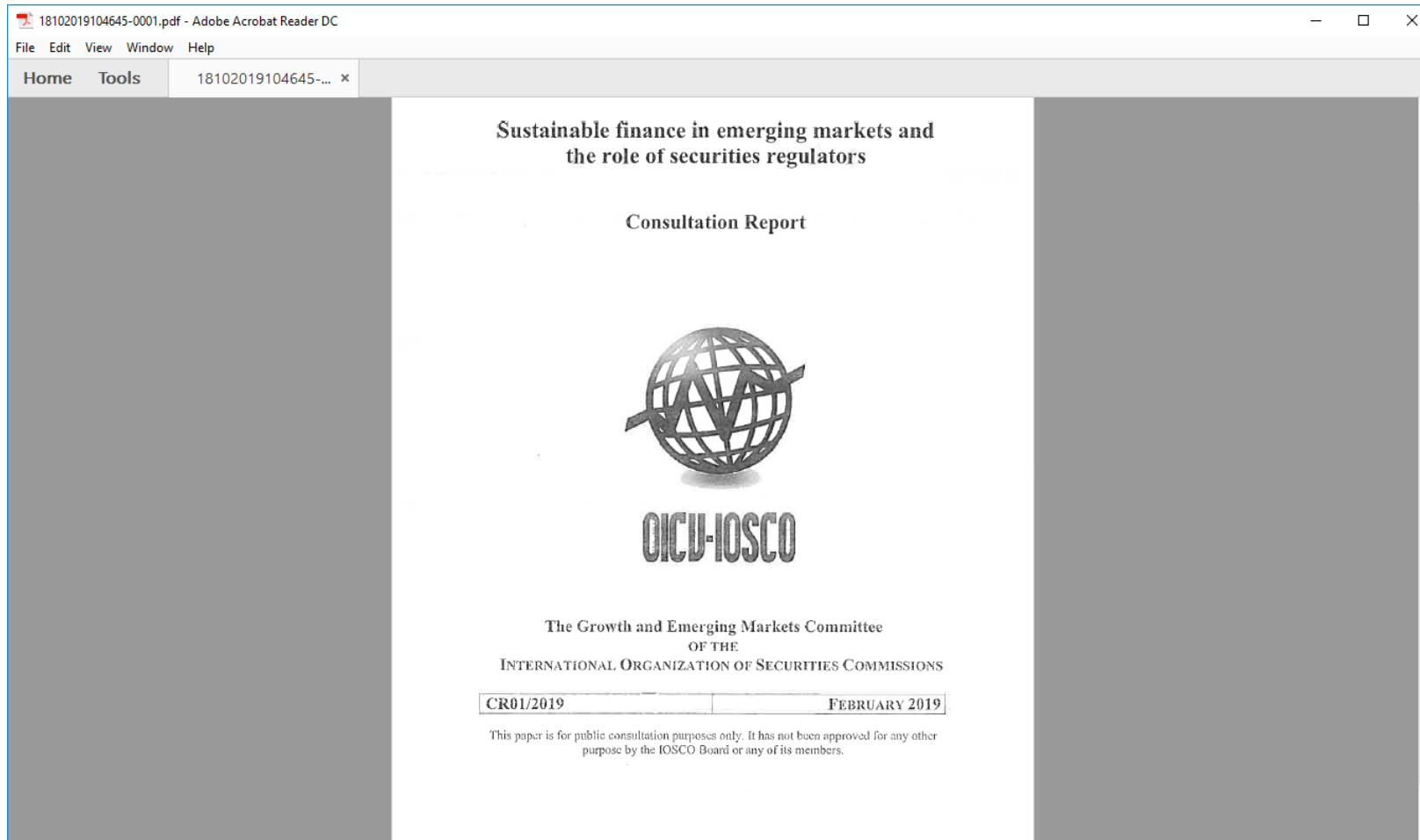
Transparency

- UNEP Finance Initiative 1991: link with commercial banks to set principles
- Understanding through reporting
 - GRI since 1997 : standards applied worldwide
- Public disclosure
 - Carbon Disclosure Project, now includes water and forests
- Task Force on Climate-related Financial Disclosures
 - 2015 by FSB to reveal climate risks to investors
 - Carney and Bloomberg driving
 - And many more

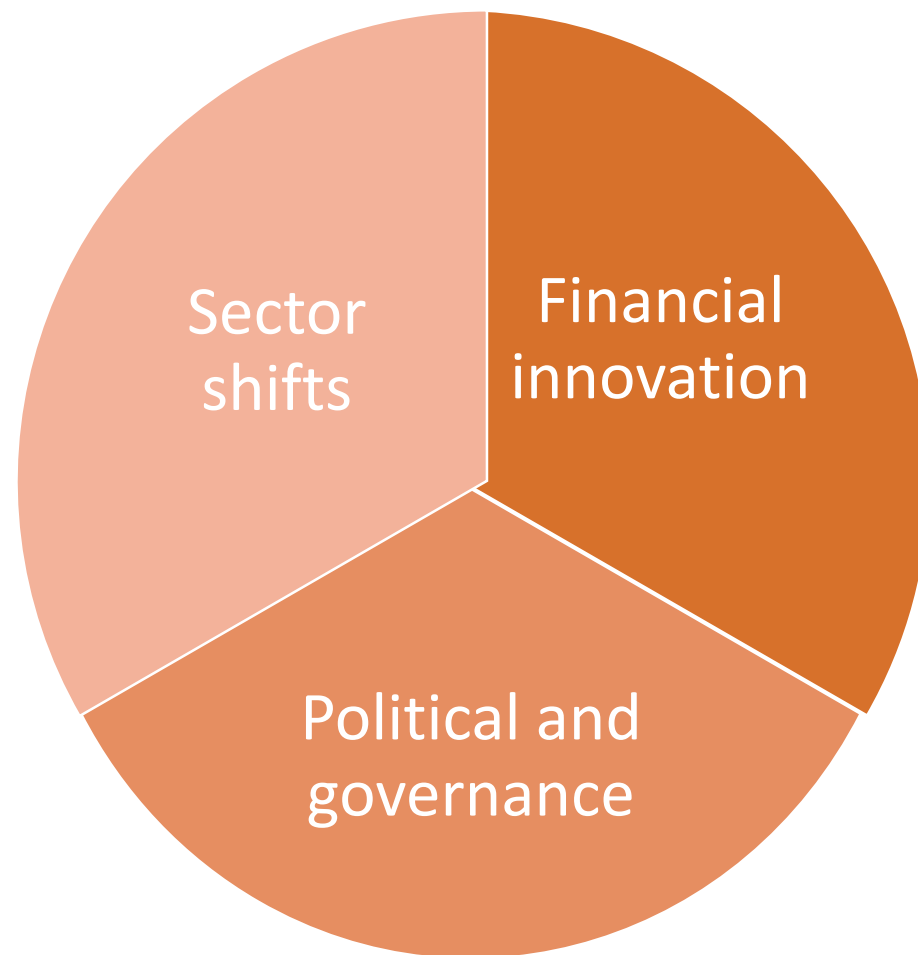
Response: Central Banks Network

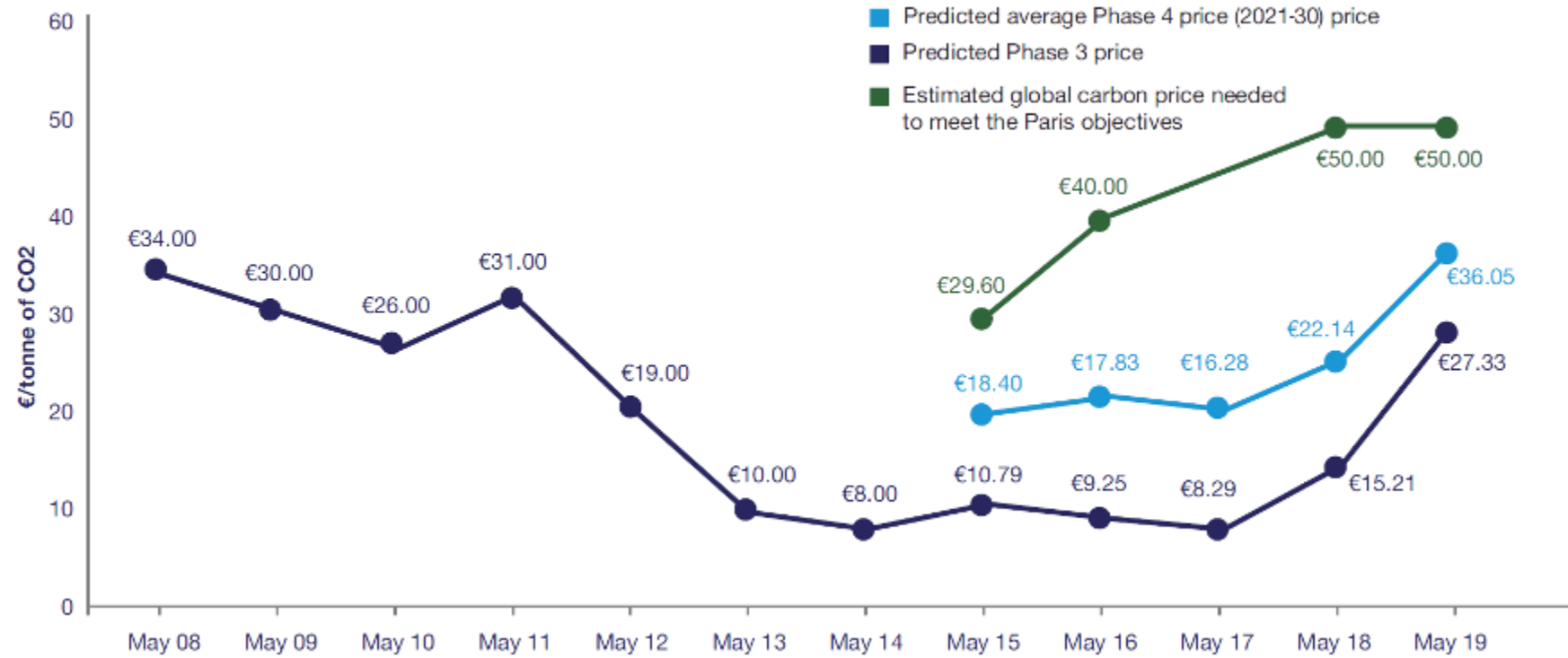


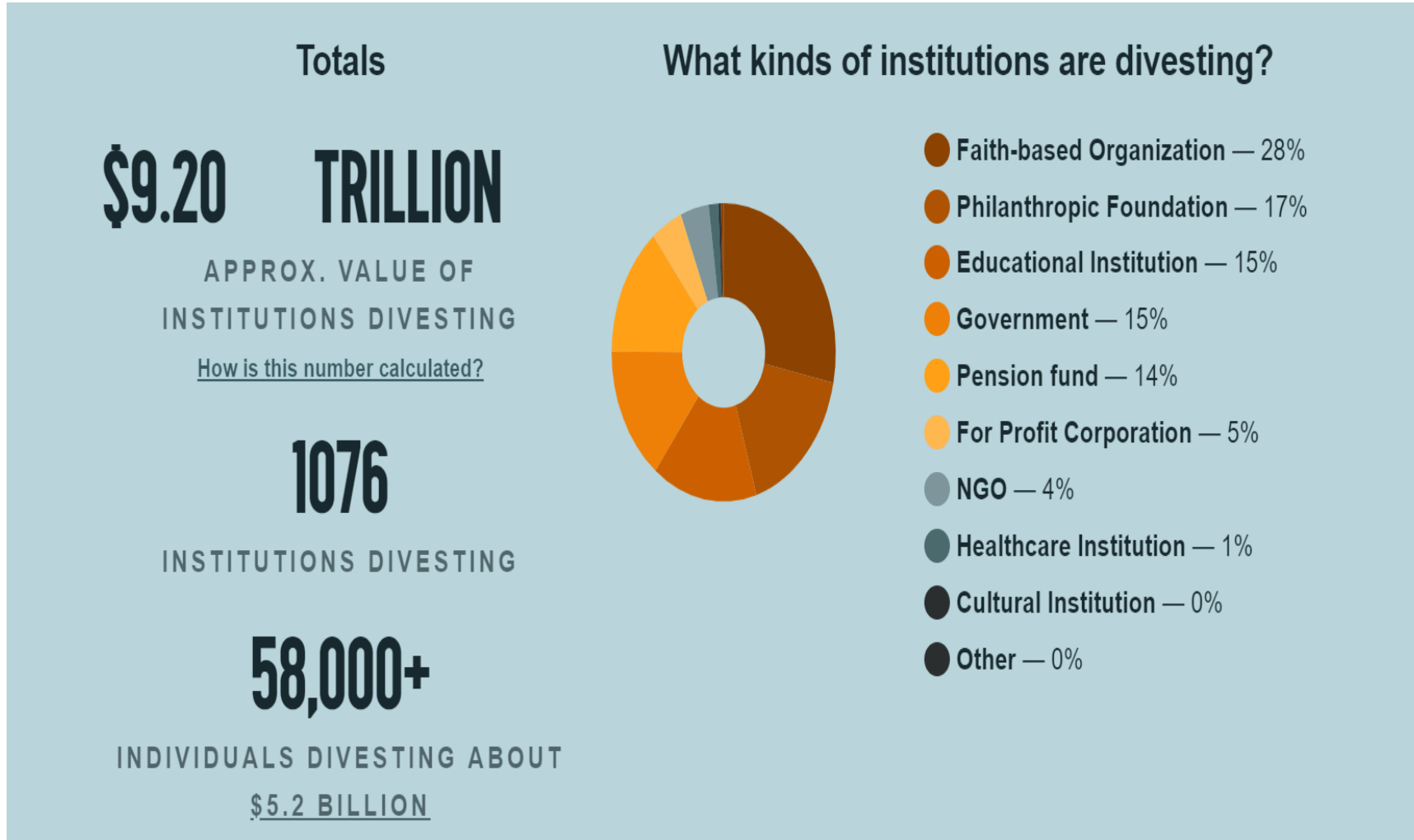
Response: Securities Commissions too



Response: Consequential global trends

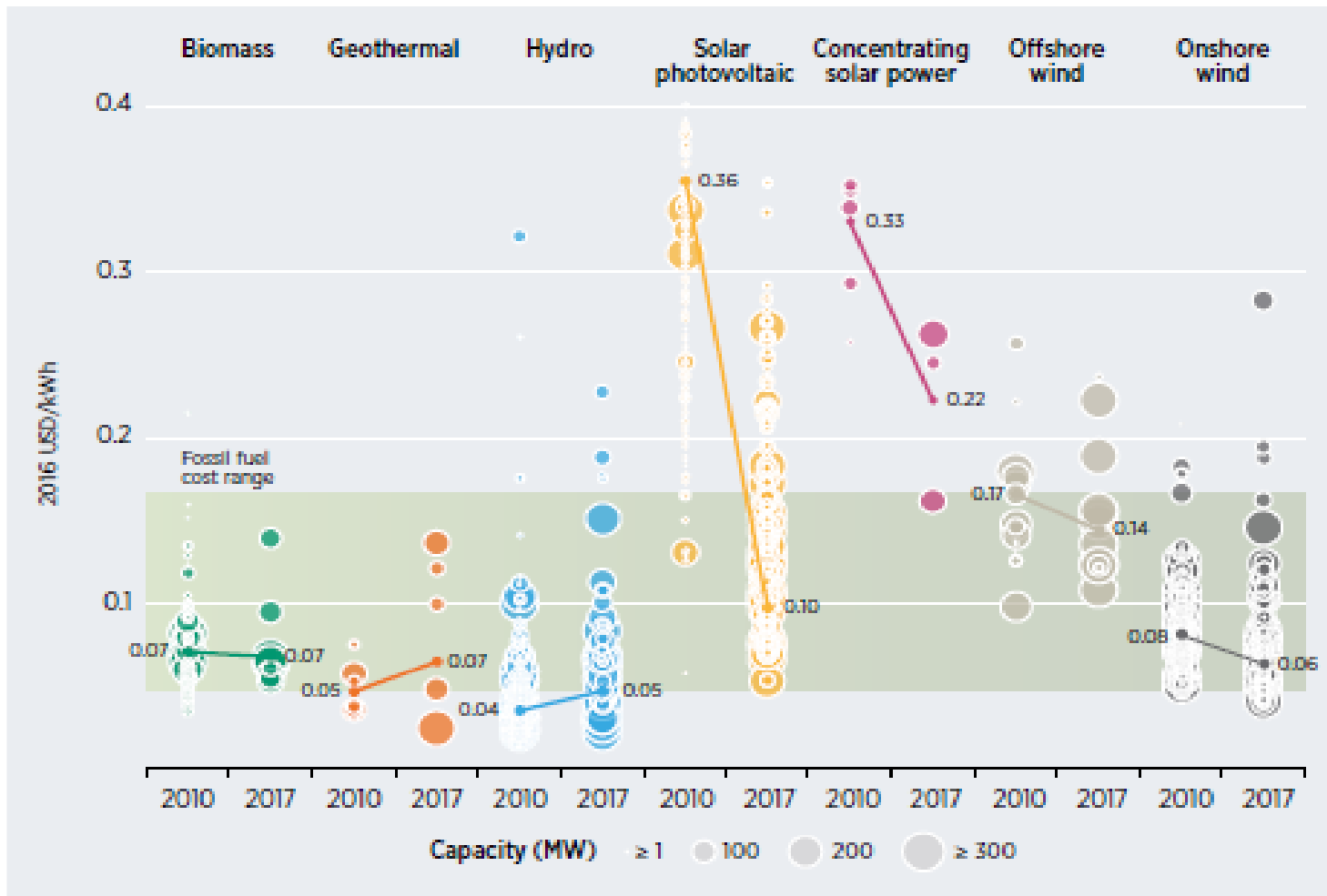






- Source

Response: renewables



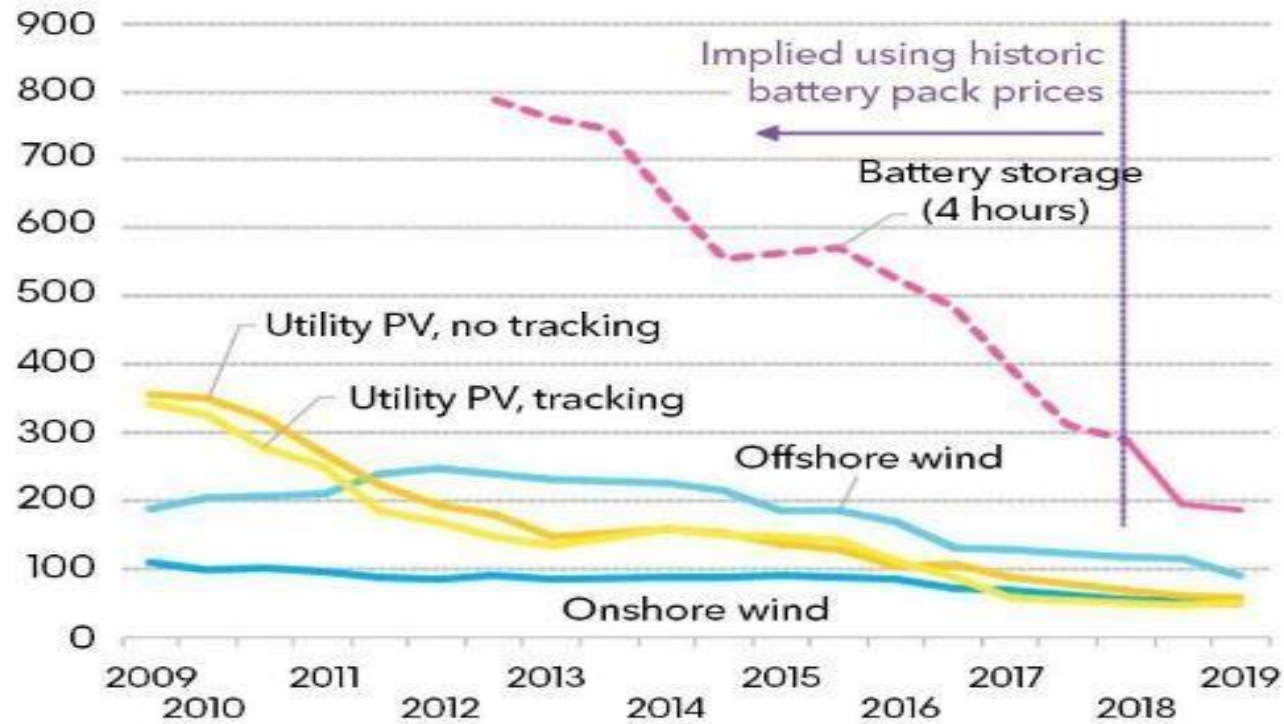
Global levelized cost of electricity from RE Generation, 2010-2017

Source: IRENA Renewables Cost Database, 2017

Response: more renewables

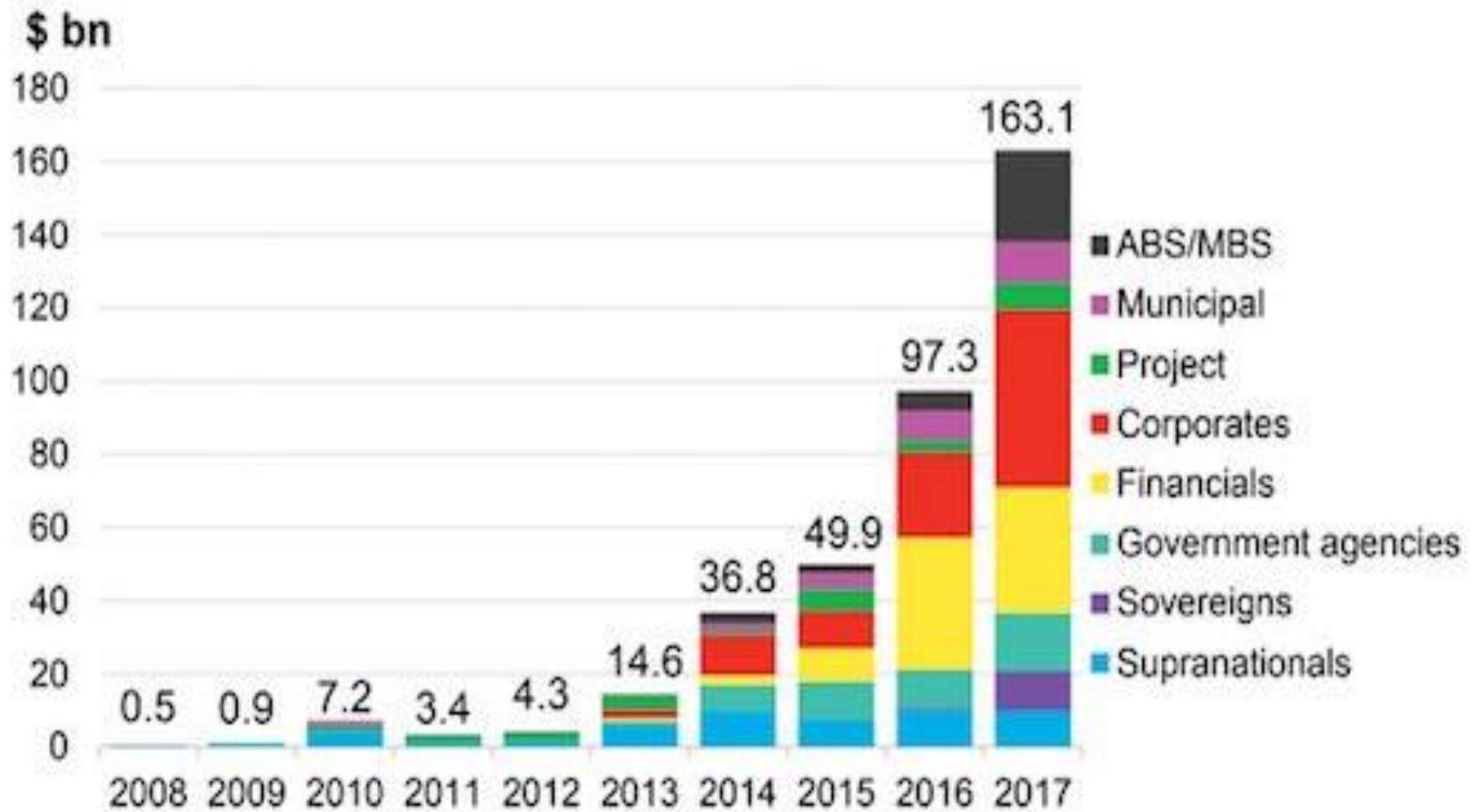
Global benchmarks - PV, wind and batteries

LCOE (\$/MWh, 2018 real)



Source: BloombergNEF. Note: The global benchmark is a country weighed-average using the latest annual capacity additions. The storage LCOE is reflective of a utility-scale Li-ion battery storage system running at a daily cycle and includes charging costs assumed to be 60% of whole sale base power price in each country.

Response: Green bonds



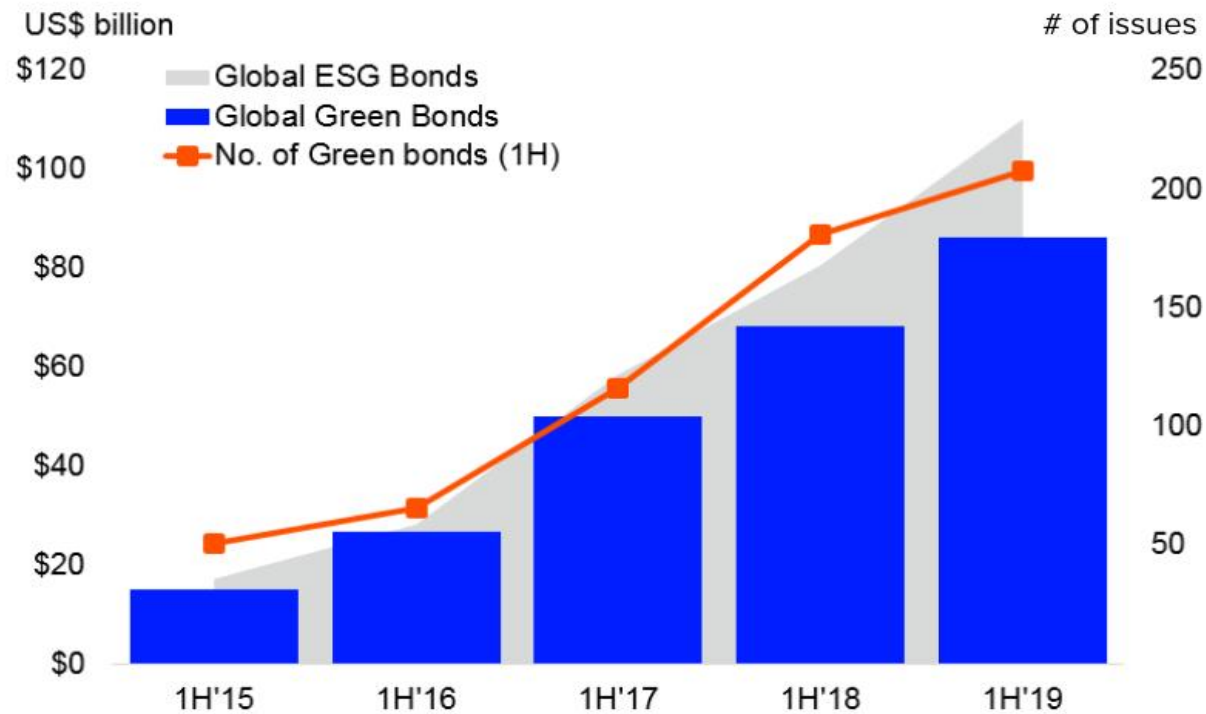
Annual green bond issuance by bond/issue type

Source: Bloomberg New Energy Finance

Response: more green bonds

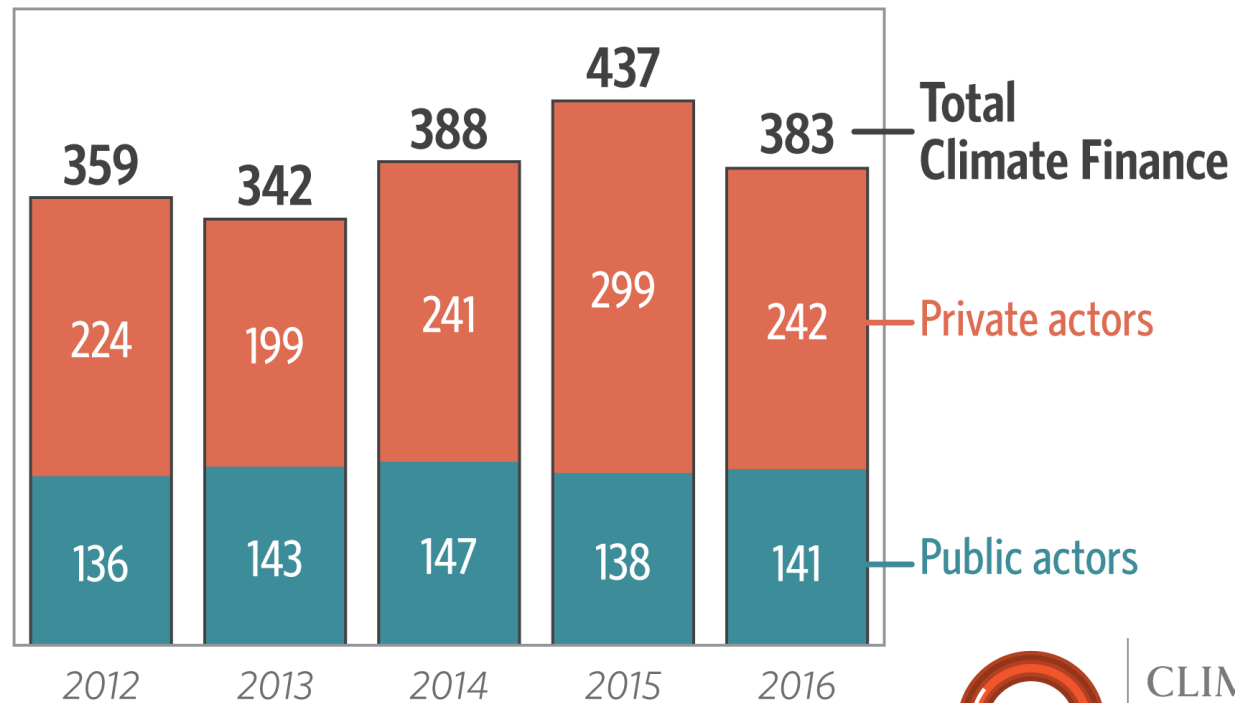


Green bonds gain momentum in H1

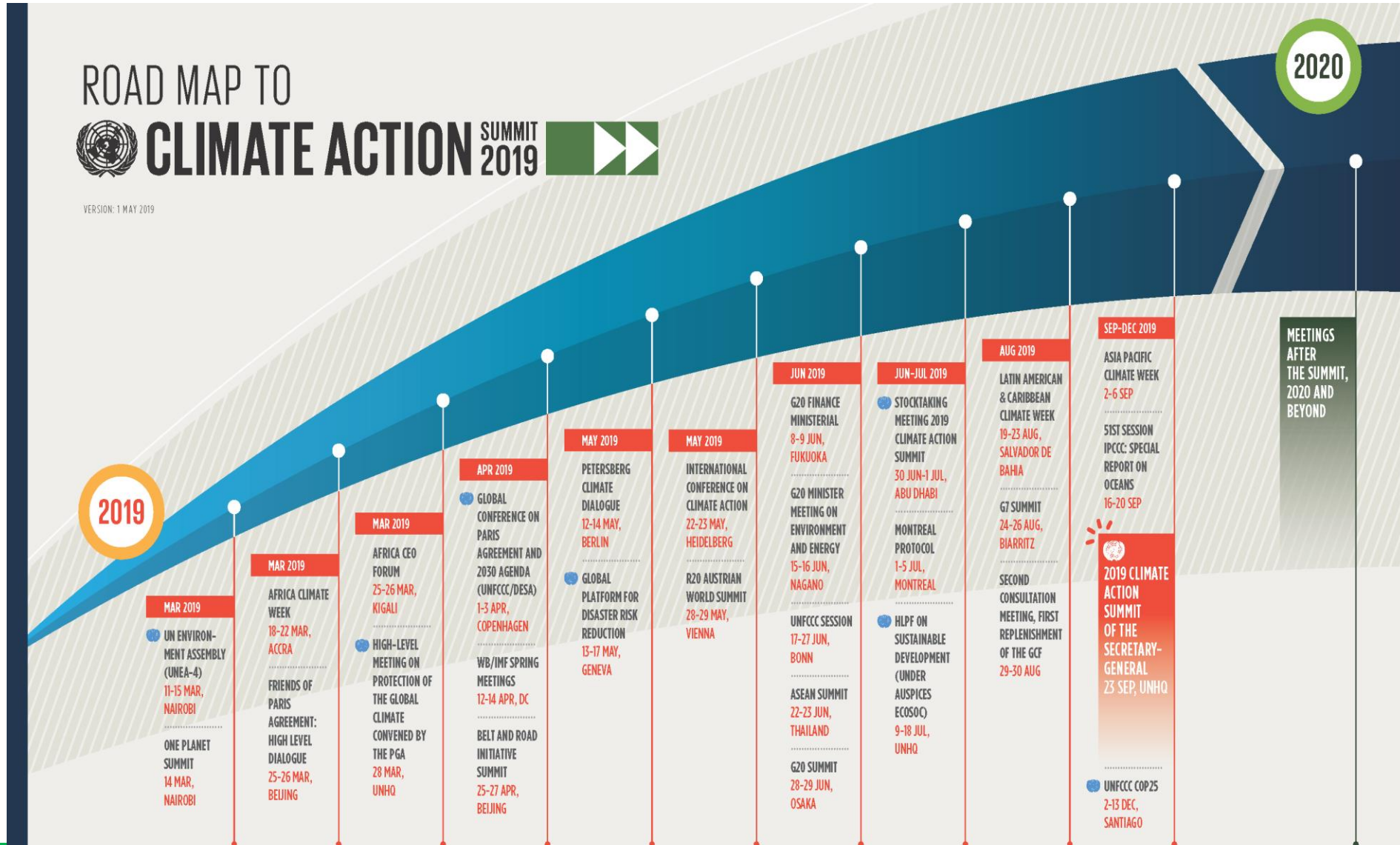


Climate finance flows

Global climate finance surged to \$437 billion in 2015, before falling 12% to \$383 billion in 2016 (USD billion)



2019: a crowded agenda



Response: Imperatives for developing countries

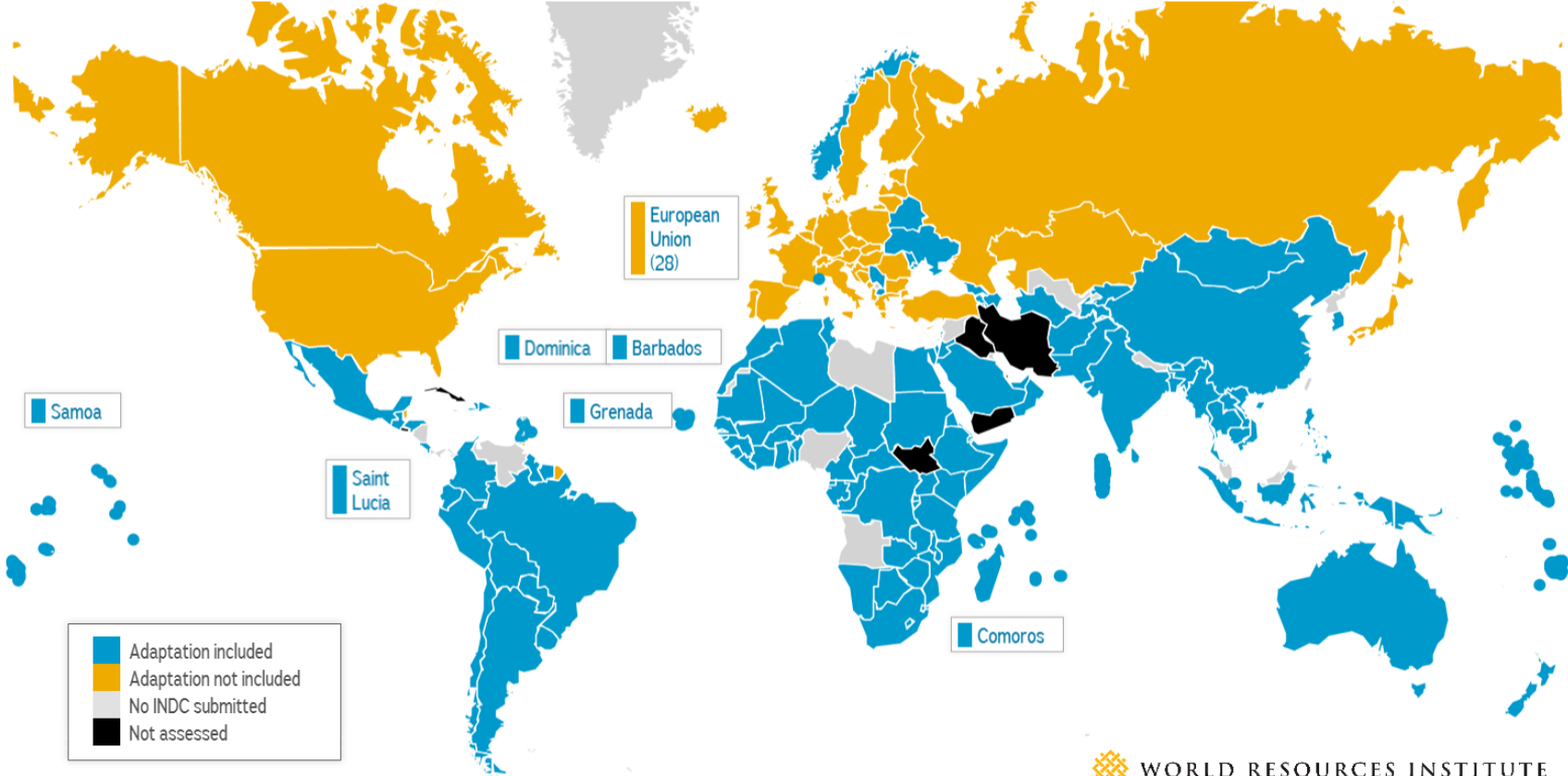


- Aligning development pathways to climate objectives

- Mitigating risk, addressing market failures, correcting policies, providing incentives, opportunities to leap-frog
- **Scaling up adaptation efforts**, addressing diverse and context specific needs

Adaptation in Paris Agreement

Adaptation included in submitted INDCs



Water: the first casualty









Water intensity, timing, quantity, temperature all change

CENTROAMÉRICA

Seguridad hídrica y cambio climático: retos y alternativas

CAMBIO CLIMÁTICO EN CIFRAS

<p>Guatemala</p>  <p>50%</p>	<p>El 50% de las zonas de la zona agrícola de Guatemala son vulnerables a los efectos del cambio climático.</p>
<p>El Salvador</p>  <p>+1.3°C</p>	<p>El aumento de temperatura en El Salvador es de 1.3°C.</p>
<p>Honduras</p>  <p>76,712</p>	<p>Se estima que 76,712 personas serán afectadas por los efectos del cambio climático.</p>
<p>Nicaragua</p>  <p>75%</p>	<p>El 75% de las zonas de Nicaragua son vulnerables a los efectos del cambio climático.</p>
<p>Costa Rica</p>  <p>\$1.1 MILLEONES</p>	<p>Se estima que se perderán \$1.1 millones por los efectos del cambio climático.</p>
<p>Panamá</p>  <p>14% DEL PIB</p>	<p>Se estima que el PIB de Panamá disminuirá en un 14% por los efectos del cambio climático.</p>



Global Water Partnership
Central America

Centroamérica sufre de fenómenos extremos como **sequías e inundaciones**, que son agravados por los efectos negativos del cambio climático y afectan la cantidad y calidad del agua disponible.

A esto se suman **variaciones ya constantes**, como la degradación de cuencas hidrográficas, la falta de un ordenamiento territorial, la falta de infraestructura hídrica y la contaminación del agua.

Todos los países han avanzado con estrategias de cambio climático y gestión del recurso hídrico, pero falta una integración entre estas agendas de trabajo a nivel nacional, regional y local.

RETOS Y ALTERNATIVAS

1. Poner en acción las estrategias de cambio climático existentes.
2. Tener plataformas de coordinación con participación de los diferentes sectores.
3. Fortalecer capacidades para monitorear el clima y reducir las pérdidas generadas por fenómenos extremos.
4. Sensibilizar los tomadores de decisiones a nivel político sobre alternativas de acción.
5. Transversalizar el cambio climático en las agendas sectoriales de desarrollo.
6. Movilizar recursos financieros y acceder a los fondos climáticos.
7. Promover la integración de la agenda de adaptación de cambio climático y seguridad hídrica a nivel nacional y regional.
8. Fortalecer la gobernanza del agua y del cambio climático.

También es necesaria una **visión más amplia y a largo plazo** en los países, acompañada por las estrategias, las herramientas, el financiamiento y el monitoreo necesarios.

Getting the governance right: GLOBAL WATER PARTNERSHIP



A **multi-stakeholder action network** and intergovernmental organization dedicated to working with countries towards the equitable, sustainable, and efficient management of water resources.

3,000+ partner organizations in over 180 countries, 65+ Country Water Partnerships, and 13 Regional Water Partnerships convene and broker coordinated action by government and non-government actors.

A long-time advocate for **integrated water resources management**, we draw on implementation experience at the local level and link it across our Network and to global development agendas.

OUR VALUES

- Inclusiveness
- Openness
- Transparency
- Accountability
- Respect
- Gender sensitivity
- Solidarity

OUR MISSION

To advance governance and management of water resources for sustainable and equitable development

- **Effective governance**
Managing water equitably
- **Water security and economic growth**
Water investments lead to economic growth

OUR UNIQUE VALUE PROPOSITION



GWP Region	No. of Partners (2019)
Caribbean	105
Caucasus and Central Asia	146
Central Africa	173
Central America	216
Central and Eastern Europe	184
China	99
Eastern Africa	303
Mediterranean	91
South America	359
South Asia	404
South East Asia	247
Southern Africa	338
West Africa	235
Global	290
Total	3,190

Our reach

We comprise 3,000+ partner organisations in over 180 countries, influencing change from local to global levels.

Our network

65+ Country Water Partnerships and 13 Regional Water Partnerships convene and broker coordinated action of government and non-governmental actors.

Our knowledge

We draw on implementation experience at the local level and link it across our Network and to global development agendas.

The presentation of material on this map does not imply the expression of any opinion whatsoever on the part of GWP concerning the legal status of any country, territory, or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Philippines Water Partnership – key issues

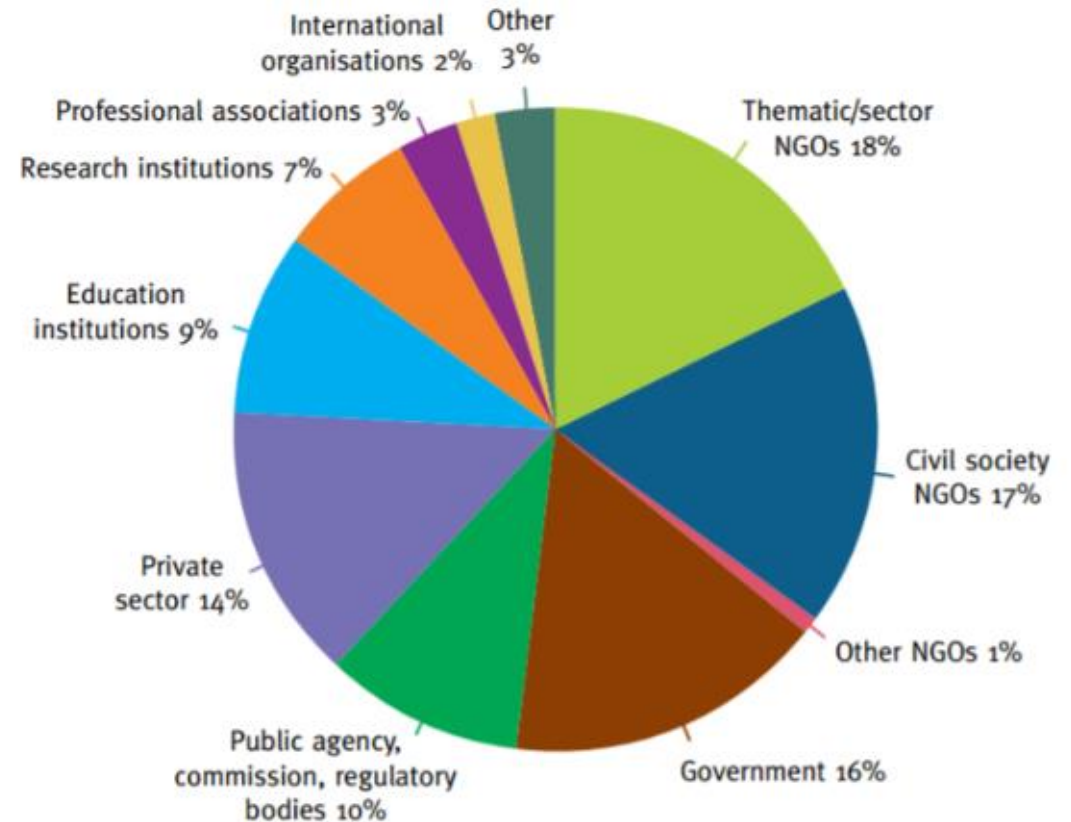


- Astride typhoon belt, usually affected by 15 and struck by five to six cyclonic storms each year
- tsunamis
- Uncontrolled deforestation especially in watershed areas
- Air and water pollution in major urban centers
- Coral reef degradation
- Increasing pollution of coastal mangrove swamps that are important fish breeding grounds
- Landslides
- Destructive earthquakes

A Network of Partners

- **Advocating, facilitating, and supporting change** processes for sustainable water management.
- **A neutral platform for multi-stakeholder dialogue** at global, national, and local levels that connects water resources planning and operations.
- **Contributing technical knowledge and building capacity** for improving water management.

GWP Partners by type



THE URGENCY

Decreasing water quality
Pollution
 Poor coordination Urbanisation
Climate change
 inequalities
THREATS
 Competing demands
 Migration
Floods
 Water scarcity
 Population growth
Droughts
 Fragmentation
 Ecosystem degradation
Conflicts
 Water-borne disease
 Water-related risks

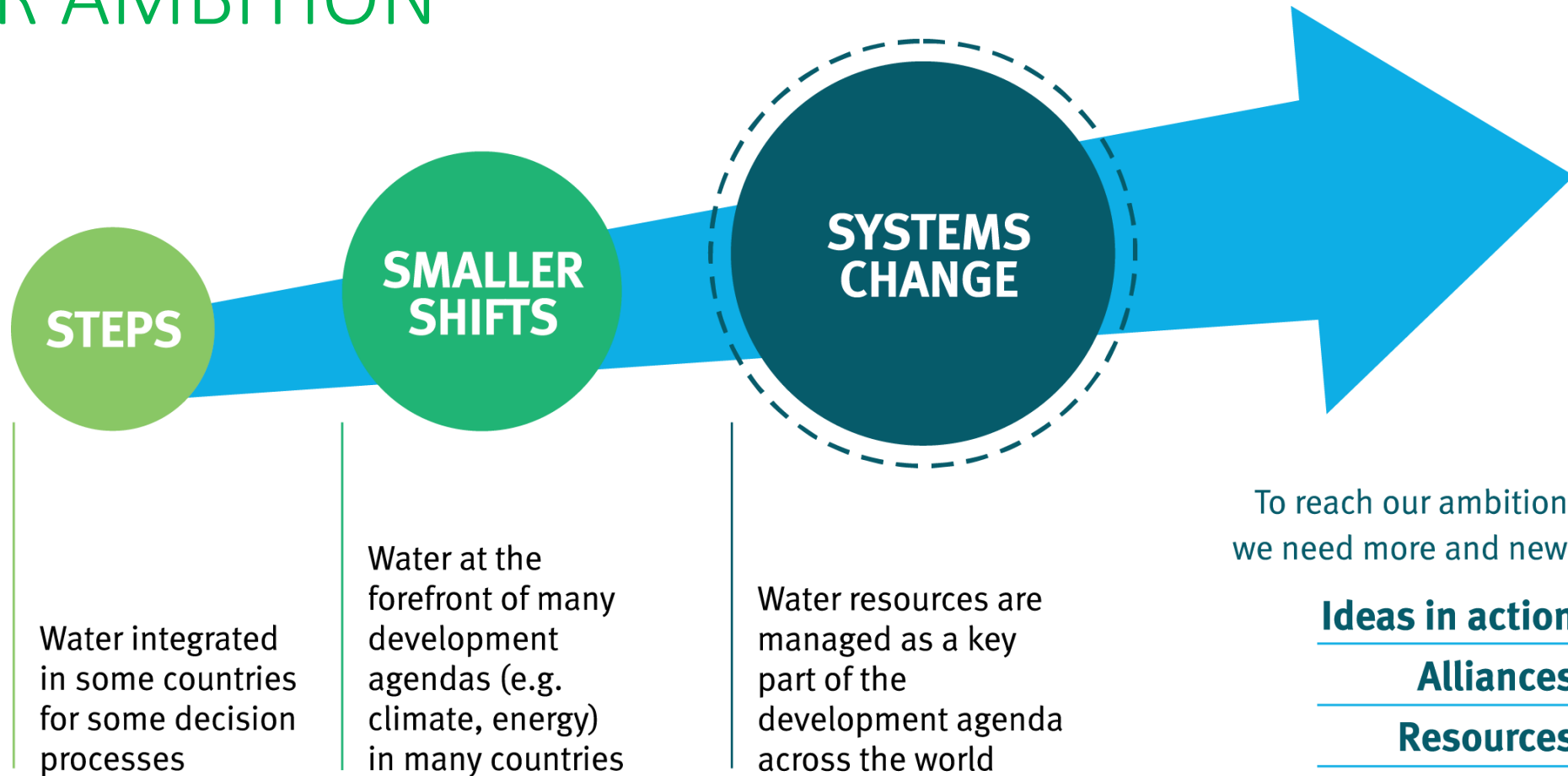
Investment Infrastructure
 Sustainable Development Goals (SDGs)
 'voices of water'
 Nature-based solutions

OPPORTUNITIES
 Sendai framework
 Technology
 Transboundary cooperation
 Gender equality
 Nexus
 Private sector

New business practices Youth engagement
Paris Agreement
 Innovation Valuing water
 Employment

AGENDA
 for action
 to address the
 world's water
 challenges

OUR AMBITION





PROVIDE WATER SOLUTIONS TO DEVELOPMENT CHALLENGES

- ☞ **Foster coordination on water across the Sustainable Development Goals**
- ☞ **Value water for development**
- ☞ **Leverage the SDG target 6.5 on integrated water resources management**



ANCHOR AREAS



**SUCCESS
WILL BE...**

300+ water-related policies, laws, institutional arrangements, and related management instruments

incorporating IWRM principles adopted at regional, national, and local levels.

80+ investment plans and budget commitments

associated with policies, plans, and strategies that integrate water secure development.



CATALYSE CLIMATE-RESILIENT DEVELOPMENT

- Advance national adaptation planning
- Facilitate access to climate finance
- Support integrated resilience planning, including for water infrastructure



ANCHOR AREAS



SUCCESS
WILL BE...

30+ countries access climate finance

to implement water-informed National Adaptation Plans and integrated flood and drought management policies and measures.

Investments of more than €1 billion

directly supported in climate-resilient water management and infrastructure founded on robust, inclusive, and effective water governance systems.

ACROSS ANCHOR AREAS

Engaging the PRIVATE SECTOR



SUCCESS
WILL BE...

20+ initiatives with private sector actors to mobilise investment, reduce impacts on water by key industries, and promote innovation and entrepreneurship.

Contributing to GENDER EQUALITY



SUCCESS
WILL BE...

20+ countries implement development plans, strategies, and formal commitments that aim to contribute to gender inclusion and/or equality through water secure development.

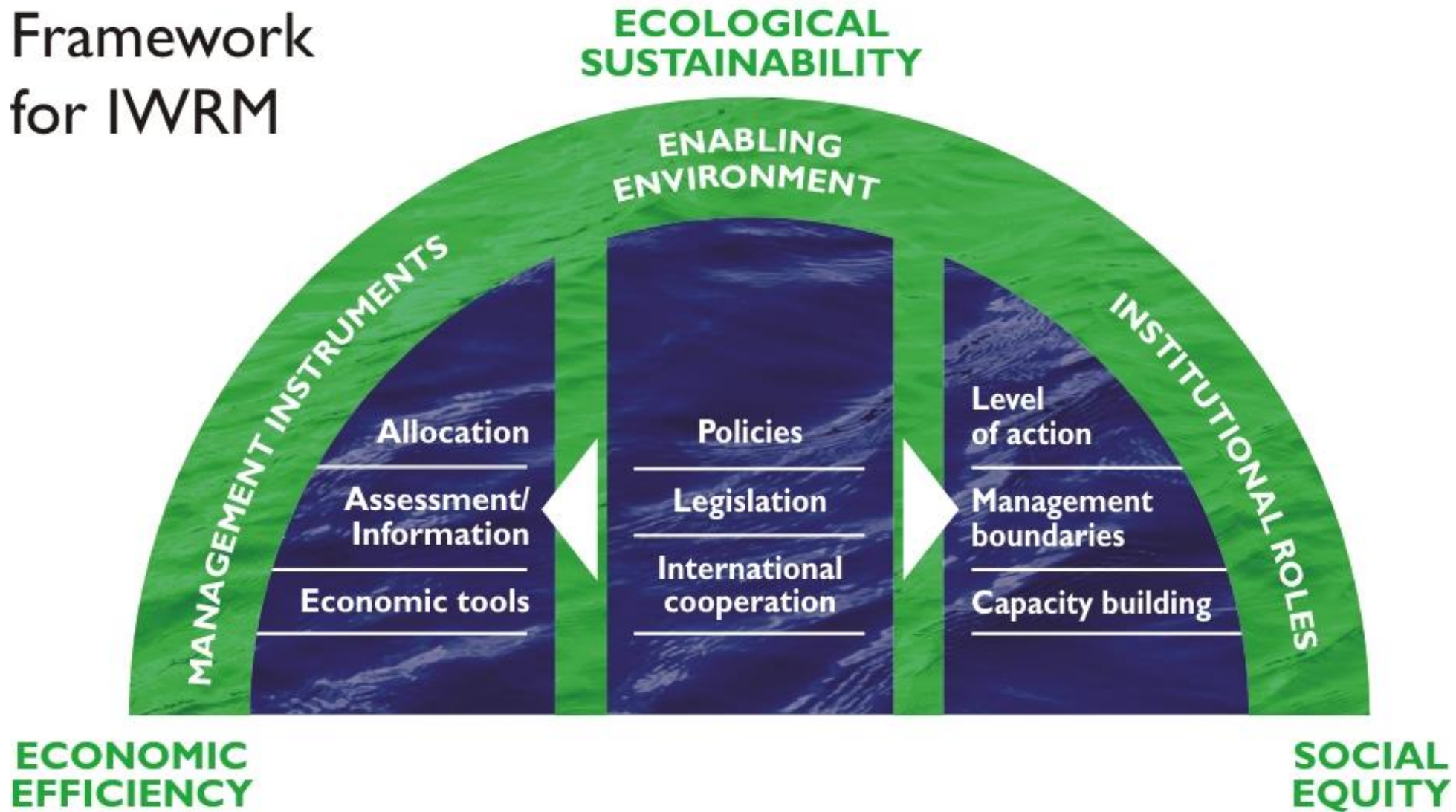
Mobilising YOUTH for water resources management



SUCCESS
WILL BE...

20+ youth-centric initiatives that mobilise youth to engage with water management and governance processes and systems and to participate in decision making.

General Framework for IWRM





Participatory Approach

Water development and management should be based on a participatory approach involving users, planners, and policy makers at all levels.

Dublin-Rio Principle No. 2

Women's Central Role

Women play a central part in the provision, management, and safeguarding of water.

Dublin-Rio Principle No.3



A fisherman in a blue shirt is shown in profile, kneeling on a raft made of logs in a body of water. He is pulling a net that has several fish caught in it. The background is a blurred natural setting with water and vegetation.

Economic and Social Good

Water is a public good and has a social and economic value in all its competing uses.

Dublin-Rio Principle No. 4

Ecosystem Sustainability

Water is a natural resource and should be recognised as an integral part of the ecosystem.

Dublin-Rio Principle No. 5

Future Investment

Sustainable Investing

According to Morgan Stanley, millennials are putting their money in sustainable investments at a rate that is **2x higher** than average.

With a **\$30 trillion wealth transfer** coming to millennials in coming decades – this is not likely to stop anytime soon.



86%
are "very interested"
or "interested" in
sustainable investing



61%
have made at least one
sustainable investment
action in the last year



75%
think their investments
can influence
climate change



84%
think their
investments can
help fight poverty

- Source: Visual capitalist



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