



**UN**  
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**CONFERENCE**

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## **UN 2023 Water Conference Side Event**

### *Catalyzing the Water Action Agenda for Finance*

March 22<sup>nd</sup> 2023, 17:00h, UN Headquarters, New York

Organized by: CDP, OECD, Water Footprint Network (WFN) and Valuing Water Initiative (VWI)

#### **Background on the event**

Aligning trillions in financial flows with the achievement of a water secure world is critical in accelerating and scaling up actions to tackle the water crisis and achieve SDG 6. Because of their reach, power and influence, financial institutions hold a key to positive change. To address global challenges of the scale and magnitude of the water crisis, we must transform how financiers assess and mitigate water risks by rewarding sustainable resource use or sanctioning resource use which is unsustainable. To accelerate the transformation of private finance, we launched a first version of a [Finance Water Action Pathway](#) that defines clear actions that financial institutions and other actors need to take to transform private lending, funding and investing and drive the transition to a water-secure world.

#### **Water Action Agenda**

CDP commits to [catalyzing a cascade of water action across the real economy via thousands of systematically important financial institutions \(SDGAction50403\)](#). Achieving a water secure, net zero economy will require a complete transformation of our global economy. Private finance has been identified as one of the key pillars of the UN Global Acceleration Framework for SDG 6 and rightly so. By inviting more than [1,200](#) of the world's largest, systemically important Financial Institutions to regularly report the water-related risks and impacts that they are exposed to through their financing activities and publicly benchmarking the actions they are taking to mitigate these, we seek to reduce the flow of capital to water destructive activities and businesses and increase flow to those that value water appropriately. You can read more about CDP's commitments on the topic: [SDGAction50414](#), [SDGAction50391](#), [SDGAction50255](#).

## **Key Issues discussed**

- The role, impact and power of financial institutions' decision-making.
- How financial institutions' actions can scale impact through the transformation of lending, investing and insurance activities.
- How to transform the financial system – the role of governments, central banks, regulators, policy makers and others that need to be involved in the process.
- The [Finance Water Action Pathway](#) and how to unlock the potential of the financial system to trigger transformational change.
- The key levers of change that the financial sector can pull to make the transformation happen and the specific actions to be taken.

## **Key recommendations for action**

- Transforming finance to value water in every business decision will make the financial system an enabler of the transition to a water-secure future.
- For achieving the transformation, specific, practical and science-informed actions and milestones towards 2030 are defined in the [Finance Water Action Pathway](#) for each of the involved actors.
- All relevant stakeholders need to commit to playing their role in aligning private finance with water secure outcomes (central banks, supervisors, regulators, and internal standard setting bodies)
- Water risks, opportunities, impacts, and dependencies need to be fully embedded into the pricing and flow of finance.
- Policy makers, such as financial regulators and national governments, have the power to strengthen enabling conditions for financial institutions to better address their water impacts, dependencies and risks while taking advantage of the opportunities.