



UN  
2023 WATER  
CONFERENCE

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## UN 2023 Water Conference Side Event

### *Sparking a Water Ambition Loop*

23<sup>rd</sup> March 2023, 03:00 EDT, Online

Organized by: CDP, UN Climate Change High Level Champions

#### **Background on the event (one paragraph)**

More financial intuitions and real economy companies are recognising that the global water crisis is a systemic financial risk and starting to measure their water impact, address their risks and unlock business opportunities worth trillions of dollars. These politically powerful and influential voices have the potential to push governments to accelerate the pace and scale of innovation and investments in water solutions. Drawing upon insights from CDP's global environmental disclosure platform, the event showcased ambitious non-state actors' near- and long-term initiatives. Experiences and recommendations on how stakeholders could contribute to a water-secure future within the planetary boundaries were relayed through a panel discussion convening PTT Global Chemical Public Company Limited, Sumitomo Mitsui Asset Trust Management, the City Government of Makati, CWR and Water Stewardship Indonesia.

#### **Water Action Agenda (one paragraph, if possible, please include the link to your commitment in the [Water Action Agenda database](#))**

To address the water crisis, a positive feedback loop—an “ambition loop”—between bold business leadership and bold government policies focused on disclosure must be established. Private companies are now calling for stronger water regulation to provide clarity and guidance on the way forward. Disclosure is a critical first step to addressing the water crisis and governments work towards adopting mandatory water disclosure requirements that are consistent and aligned with international best practices to enable the transition to a water secure economy.

Please refer to our WAA commitment for further information: [Catalysing water action amongst thousands of the world's largest companies and closing the data gap. | Department of Economic and Social Affairs \(un.org\)](#)

### **Key Issues discussed (5- 8 bullet points)**

- In 2022, CDP saw nearly 4000 companies and over 275 financial institutions disclose on water security globally. The high rates of disclosure show a strong awareness of the huge risks posed by the water crisis and the opportunities that come with tackling it.
- Companies and financial institutions are increasingly aware that risks arising from water, climate change, and natural capital mismanagement are deeply intertwined and material to society and the economy.
- Financial institutions and cities such as Sumitomo Mitsui Trust Asset Management and the City Government of Manila are using CDP data to set goals and targets, inform investment, strategy and policy, increase engagement and collaboration, and to divert resources to areas that require improvement.
- Companies, such as PTT Global Chemical, are taking more ambitious action to address water risks through enhancing water efficiency in production, increased investment in water technologies, prohibiting the use of harmful polluting chemicals, and collaborating with local communities to conserve and restore biodiversity.
- Stakeholders are increasingly acknowledging that water risks cannot be effectively addressed in silos and there is a global demand for standardisation amongst disclosure requirements that address these risks holistically. Globally recognised frameworks such as TNFD and the impending ISSB are steering disclosure standards in the right direction.

### **Key recommendations for action (5 - 6 bullet points)**

- Governments need to act by heeding the call for mandatory water disclosure and should explore collaborations with independent partners such as CDP, CWR and Water Stewardship Indonesia to develop the necessary systems to support increased disclosure and data monitoring.
- Mandatory regulation around water disclosures needs to be standardised across regions to level out the playing field, preventing stakeholders from moving operations to neighbouring countries with laxer regulations.
- Financial incentives for corporates compliant with water disclosure regulation, and corresponding penalties for non-compliance, could be provided through financial mechanisms such as variable interest rates for loans and insurance premiums.
- The public and private sector should work together to ensure that water security is better represented and standardised in national financial mechanisms like green taxonomies in order to enhance access to financial resources required for investment on water solutions.