



Coalition for Climate Resilient Investment (CCRI)

Goal: *to transform infrastructure investment by integrating climate risks into decision-making, driving a shift toward a more climate resilient economy for all countries, including the most vulnerable.* Building the economic and financial case for climate resilient investments will mobilise capital into resilient infrastructure and foster a more resilient financial industry.

Summary: A first-of-its kind private sector led coalition, the Coalition for Climate Resilient Investment, is comprised of companies from across the investment value chain with US\$5 trillion of assets under management, alongside Governments and multilateral organisations (listed, page 2).

The Intergovernmental Panel on Climate Change estimates \$69 trillion in financial losses by 2100 from climate impacts. This year the CDP (formerly the Carbon Disclosure Project) reported that the private sector is set to face \$1trillion in losses in the next 5 years, with the financial services industry accounting for 80% of that exposure. The imperative to both invest in climate resilience, and make the financial system more climate resilient, has never been starker.

Approximately US\$90 trillion will be invested in infrastructure globally between now and 2030. Physical climate risks pose a challenge to all countries but the case for climate resilient investment is further strengthened by the expectation that 70% of infrastructure investment will go to low- and middle-income countries, whose societies and economies are typically more exposed to climate risks. As the frequency and severity of climate related impacts increase, it will be critical that climate vulnerable geographies and communities continue to attract investment and that this infrastructure is built to withstand future climatic hazards.

Emergent research estimates that an average of 3% additional upfront capital investment would be required to build resilience into infrastructure. With similar exercises concluding that every dollar invested in resilience, can generate 4 dollars of economic value. More research is required but these findings point towards a robust financial case for investments in resilience. Despite the scale of the challenge, the rapid advancement of climate analytics and financial innovation, alongside growing pressure to foster a more resilient financial industry, presents the global community with a real opportunity to deliver climate resilience.

Outcomes

1. A strengthened market for private and public-sector investment in climate resilient infrastructure
2. Reduced climate risk resulting from a shift in the flow of investment towards climate resilient infrastructure
3. Support for climate vulnerable geographies to attract investment and prevent capital flight as climate risks become more evident

To date there has not been a concerted cross-industry effort that engages with climate resilience. This Coalition aims to change that dynamic, convening different sectors and industries to create the frameworks and tools to price climate risks and facilitate resilience investments. The Coalition will lead a systemic shift to facilitate greater capital investment in resilience across the world.

Roadmap for the Coalition

Members will convene in parallel with established policy and financial events such as the World Economic Forum's Annual Meeting at Davos, the WB/IMF Annual and Spring Meetings, the Infrastructure Investors Global Summit, and COP25 and 26.

In 2019 the Coalition will develop case studies to build the business case and identify the critical enabling environments for climate resilient infrastructure investment. By COP26 in 2020, analytical tools including a physical risk pricing framework and methodology to prioritise national resilient investment needs, will be developed, alongside a range of instruments to prevent capital flight from the most vulnerable regions, such as a technology transfer programmes, technical assistance and/or blended finance. Going forward, innovative capital market instruments such as Resilience Bonds will be structured, and the pricing framework will be implemented across resilient infrastructure investment funds. Six country pilot projects will trial these innovations, protecting economies and citizens' lives from growing climate impacts.

The coalition will work in close collaboration with other related initiatives such as the Coalition for Disaster Resilient Infrastructure (CDRI) and the Coalition of Finance Ministers for Climate Action

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GLOBAL COMMISSION ON ADAPTATION

Coalition for Climate Resilient Investment (CCRI) Supporters



International Institutions and countries :



Environmental Change Institute



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