

DRAFT

Seminar

Risks and opportunities for financial institutions in water

23 August, 2006

World Water Week, Sweden,

*Norra Latin, Room 415, Stockholm City Conference Centre,
Drottninggatan 71 B*

Introduction:

The rate of depletion in water resources and the environmental aspects of water use, challenges financial institutions and their business partners to manage these resources effectively. The growth of water concerns exposes financial institutions to a number of commercial risks in financing business/ projects, whether it be those that are water intensive or those that have a water 'foot print' along the supply chain. By the same token, water risks and challenges can present opportunities for companies to improve their competitive position through improved operational performance and innovative financing solutions.

Objectives:

The main objectives of the seminar are to exchange ideas and experiences as a foundation for constructing a set of water-related risk management guidelines as a practical tool for financial institutions. Discussions will be based on the presentation of an issues paper on 'Financing water: risks and opportunities'.

The seminar aims to:

- Discuss findings of an issues paper on risks and opportunities for financial institutions in water, and pinpoint areas where these can be developed further to serve as tool for financial institutions to recognise potential water-related risk in the business they finance (Copies of the paper will be distributed to participants prior to the meeting).
- Identify ways in which financial institutions (can) mitigate water related risk and integrate water considerations in their due diligence processes.
- Identify ways of raising awareness on the role that the financial community and its business partners can play in addressing water related-risk
- Build a framework for developing a set of risk management guidelines for financial institutions in water

Format:

10:00-10:15

Welcome and Introductions

Franz Knecht, CONNEXIS (Moderator)

10:15-10:30

The role of UNEP in private sector engagement and water sustainability

Alberto Pacheco Capella UNEP Regional Seas

10:30-10:40

UNEP FI's work on water-related risks and opportunities for financial institutions

Heidi Mayhew, UNEP FI

10:40-11:00

Water: pure, refreshing defensive growth

(The Goldman Sachs framework for investing in the global water sector)

Deane Dray, Goldman Sachs

11:00-11:20

Coffee break

11:20-11:35

Environmental-related risk and opportunities for the financial sector in Sweden.

Britt-Marie Lundh, Ekobanken and BML Sustainable Business AB

11:35-11:50

Presentation of the issues paper: 'Financing water: risks and opportunities for financial institutions in water'

Jim Winpenny, Wychwood Economic Consulting Ltd

11:50-12:10

Discussions on the issues paper 'Financing water: risks and opportunities for financial institutions in water':

- What areas of water-related risk are most visible to financial institutions and what areas are financial institutions most exposed to?
- Which areas of water-related risk are less tangible for financial institutions to identify and mitigate? Where do the gaps lie in identifying these?
- General thoughts/ recommendations on the issues paper and on building a set of 'water-related risk management guidelines' for financial institutions based on the findings of this paper?

12:10- 12:30

Water related risk for financial institutions:

- Identify key areas of water-related risk that financial institutions and their business partners are faced within the following sub-sectors:
 - a) Infrastructure and water services (e.g. Vendors/ utilities)
 - b) Water intensive (e.g. Brewing, steel, irrigation, technology)
 - c) Suppliers to the water industry (e.g. Pumps, valves, desalination plants)
- Are there specific experiences, examples of private/ financial sector exposure to water-related risk?
- How can we effectively raise awareness on the role that the financial community and its business partners can play in addressing water related-risk?

12:30-13:00

Next Steps:

- Suggestions for next steps in developing a set of risk management guidelines
- Other issues

13:00-14:00

Lunch