

# Banking on private finance to tackle the world's water crisis

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Credit: WWF-Turkey

With global water resources under ever-increasing stress, a new report from WWF, ING and The Boston Consulting Group (BCG) calls for urgent efforts by corporates, investors, governments and NGOs to

deliver sustainable, bankable freshwater projects, which will help improve water security, create financial value and enhance the health of the world's river basins.

Released today at the Financial Times Water Summit in London, *Seizing the Water Opportunity* details how private and public capital can join forces to boost global efforts to achieve the Sustainable Development Goal of [water](#) for all, securing a critical lifeline for societies, economies and the bottom lines of firms and financiers.

"Without substantial investment in sustainable freshwater projects, the world's water crisis will only get worse – increasing water shortages, degrading precious ecosystems, and putting businesses at risk of drying and drowning assets," said Aaron Vermeulen, WWF Global Lead Finance and Freshwater. "The only way to secure sufficient investment is by leveraging the power of the private sector. But individual bankable projects must be part of a broader river basin approach, which also includes improvements to freshwater governance and blended finance mechanisms."

The Organization for Economic Co-operation and Development (OECD) estimates that US\$1 trillion needs to be invested each year in water infrastructure alone to secure water for all. For companies and private sector investors, this presents an opportunity to improve sustainable water resource management and mitigate water risk while also generating solid financial returns.

Freshwater bodies both in Europe and globally are under growing pressure from dam development, climate change and soaring demand for water to irrigate farms and fuel hydropower plants. In Europe, only 40 percent of European surface waters are currently considered healthy (EEA, 2018), despite the EU Water Framework Directive's legal obligation to protect and restore Europe's freshwater bodies. This strong

law must be used to foster investments in protection and restoration, and the [private sector](#) can play an important role in achieving the political objectives.

"The EU water law forces EU Member States to achieve good status for all rivers and wetlands by 2027. That unlocks investments for freshwater restoration in many parts of Europe. A strong and stable legal framework creates long-term investor certainty and is the basis for sustainable freshwater management in Europe. It gives business the opportunity to invest and adapt to a sustainable future for freshwater," said Andreas Baumüller, Head of Natural Resources, WWF European Policy Office.

The WWF European network is currently running the #ProtectWater campaign to keep the EU water law strong, calling citizens to have their say in the European Commission's public consultation.

The opportunities for sustainable bankable projects range across all sectors from improving agricultural water usage to enhancing industrial wastewater treatment, developing solar power plants and restoring wetlands. The report highlights some existing bankable projects including:

Farmers close to the Great Barrier Reef adopting sustainable practices, which curbed reef-damaging river pollution and generated significant financial benefits;

Textile manufacturers in Turkey's Buyuk Menderes basin implementing cleaner production methods, which reduced their costs and cut pollution; and

UK utility Anglian Water raised £250 million in a green bond jointly arranged by ING with proceeds being used to tackle ecosystem-related issues, including resilience and drought.

Common characteristics among these projects include: a capacity to generate a sufficiently large cashflow or mitigate risks, positively impact the environment, and ensure the whole river basin is taken into consideration. Based on these principles, WWF is working on building a cooperative approach to bankable freshwater projects. Advisory sessions have already been held with potential investors and financial experts providing feedback on possible projects in eight river basins – part of a growing pipeline of projects. But this barely scratches the surface.

Underlining the growing risks to their supply chains, the report calls on multinational companies to take the lead in promoting better use of water resources by identifying bankable freshwater projects within their own operations and supply chains. Proactively supporting investments in bankable projects can help companies gain a competitive advantage and benefit from lower costs, more resilient supply chains, and a better reputation with customers and regulators.

**More information:** Seizing the Water Opportunity:  
[awsassets.panda.org/downloads/...ortunity\\_final.pdf](https://awsassets.panda.org/downloads/...ortunity_final.pdf)

Provided by WWF

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