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BUSINESS**

economic opportunity
through bold climate action



Water scarcity and business: constraints and opportunities



Alex McNamara

Sustainable Water Seminar, CSIR, 25 June 2015



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Water scarcity:
a critical risk for business

Water scarcity is a key operational and strategic risk for business, impacting:



- Business continuity
- The viability of project investment
- Company supply chains
- Employee health & productivity
- Consumer behaviour / consumer demand
- Investor behaviour (e.g. Boston Common Asset Management, Norges Bank)

Water quality is also key!



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There are also wider socio-economic risks from water scarcity that can impact business



These wider risks relate to:

- The livelihoods of surrounding communities
- Competition for water resources in urban/peri-urban areas (in context of rising per capita demand)
- The use of water in power generation

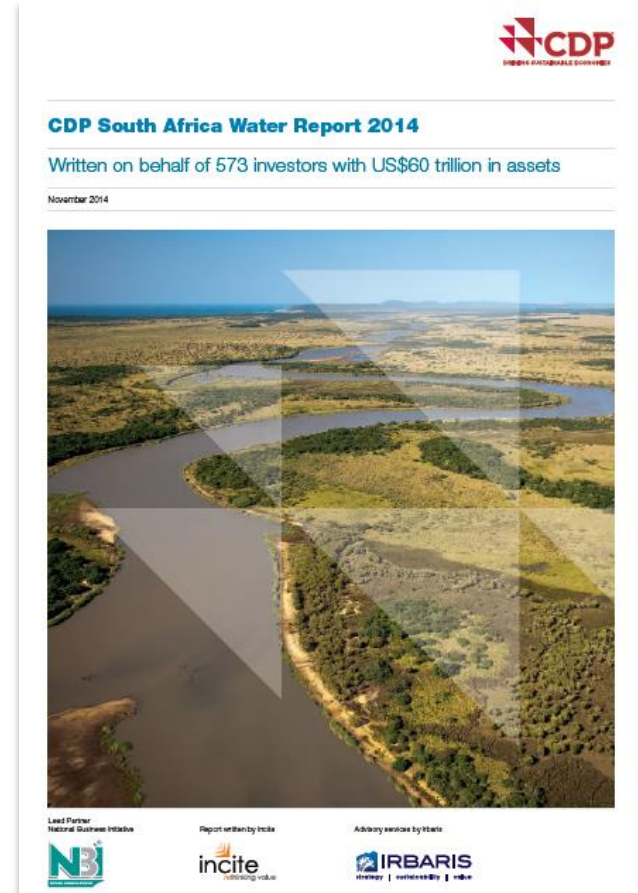


Business in South Africa has already identified water as a key risk



CDP Water South Africa 2014:

- Risks related to water in South Africa are immediate and have significant impacts



For more info: www.cdp.net



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“Water is an essential resource
for any business.

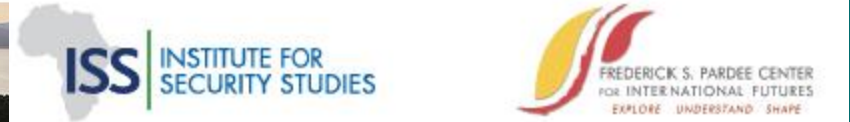
The potential for water-related
problems to damage brand value
or limit corporate growth is
increasingly understood”

- CDP CEO, Paul Simpson

We are already seeing many
of these issues playing out...

SUNDAY TIMES NEWS BY TASCHICA PILLAY AND MATTHEW SAVIDES, 2015-06-21

Consumers face fines as water crisis in KZN spreads



AFRICAN FUTURES PAPER 11 | SEPTEMBER 2014

Parched prospects

The emerging water crisis in South Africa

Steve Hedden and Jakkie Gilliers

finweek

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INSIGHT: Time to act on water scarcity

May 20, 2015 by Finweek Staff [Leave a Comment](#)

Water scarcity is a significant threat that could impede business operations and ultimately limit economic growth in the next 10 years. But improved awareness of the situation and more active management of water resources could help businesses and communities cope with the crisis.



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Press Release
 Jay Bhagwan

2013/09/11

Social protests and water service delivery in South Africa

On 13 September, 2013 the WRC is hosting a seminar to discuss findings of a study that was done with the focus on "Social protests and water service delivery in South Africa: Characterisation of selected local contexts".

Water protest chaos in Majakaneng - PICS

[Comment on this story](#)

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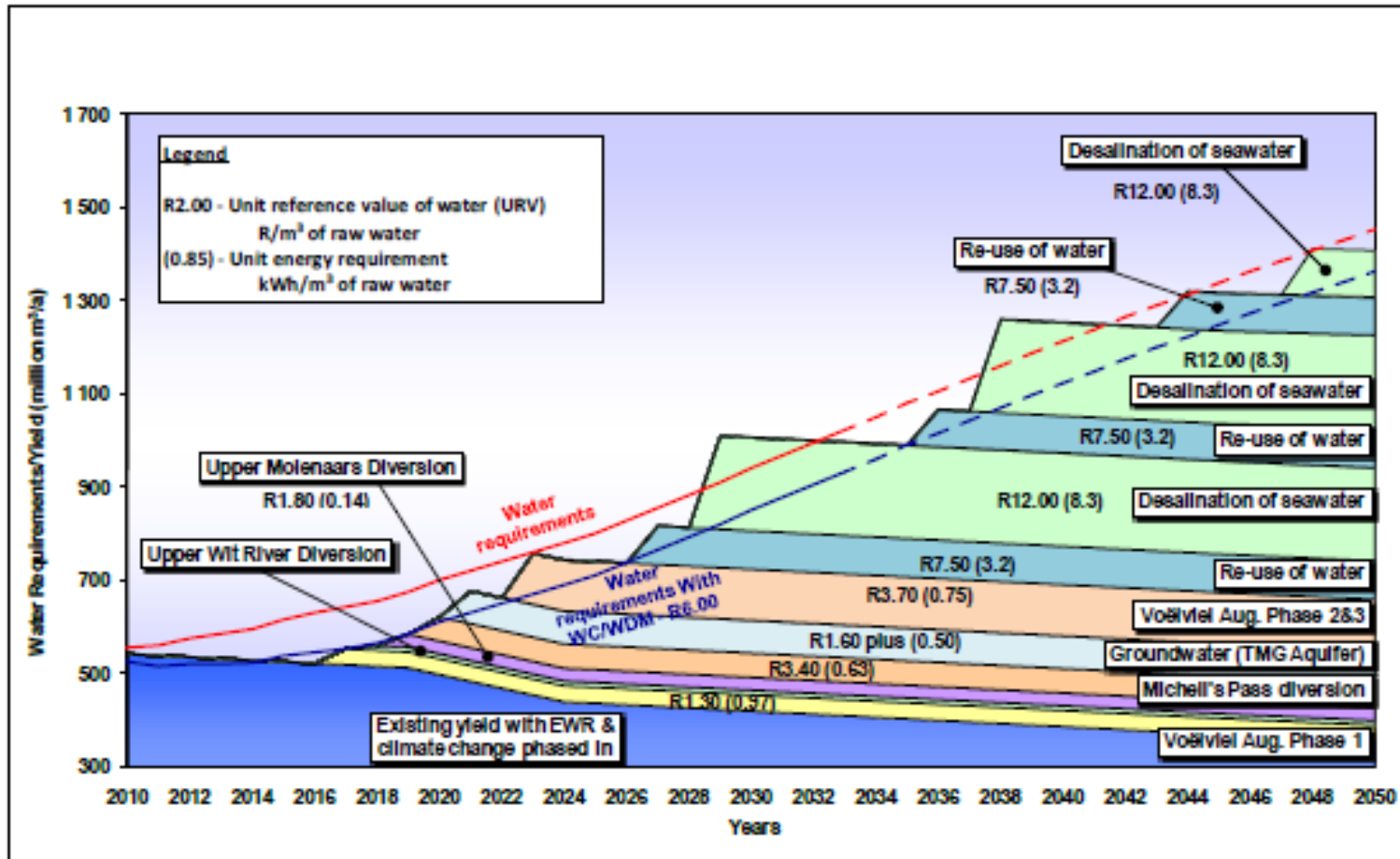
Water pricing will also increasingly be a function of water scarcity



- With associated impacts on the cost of doing business



Just one example, the Western Cape to 2050 (marginal cost of raw water)



Source:
DWA, 2010



Water scarcity:
the opportunity for business

Business is essential to solving this pressing challenge

The answer has three main components:

1. Get company's own house in order
2. Support innovation and drive new solutions
3. Engage in collective action

Each of these areas can be a commercial opportunity for business.



1. There are opportunities to lower costs and improve business resilience

This is primarily done through:

- Water metering and monitoring
- Water efficiency and conservation
- Water capture, recycling and reuse
- Water risk assessment



2. Business is the major innovator in society and a key provider of solutions

The opportunities for business include:

- Developing water efficient products
- Rolling out water management related ICT and services
- Commercialising new water treatment options and water technologies
- Developing water related infrastructure
- Taking advantage of specific project investment opportunities

Urban environments provide economies of scale and support market viability



3. Collective action and water stewardship is essential

What is water stewardship? It is:

- Helping to manage a resource that you don't own, but that is important to you
- Working with municipalities, national departments, communities and supply chains to solve pressing water challenges, in ways that benefit both parties
- A collaborative approach, given that the solution requires collective action



CDP Water:

“There’s no value in being a clean fish in a dirty pond”



What is the NBI doing?



- Raising awareness and developing capacity of member companies
- Conducting strategic research on key water topics
- Building partnerships between government and business
- Implementing the CDP Water programme in South Africa
- Partnering with leaders in the space (e.g. WBCSD) to connect SA to key trends and management approaches
- Facilitating access to co-funding for collective water stewardship projects



Questions?

The NBI



The National Business Initiative (NBI) is a voluntary group of leading national and multi-national companies, working together towards sustainable growth and development in South Africa through partnerships, practical programmes and policy engagement.



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