



UNEP **Finance Initiative**  
Innovative financing for sustainability



# Water and Finance

Where Water Related Risks become Financial Opportunities



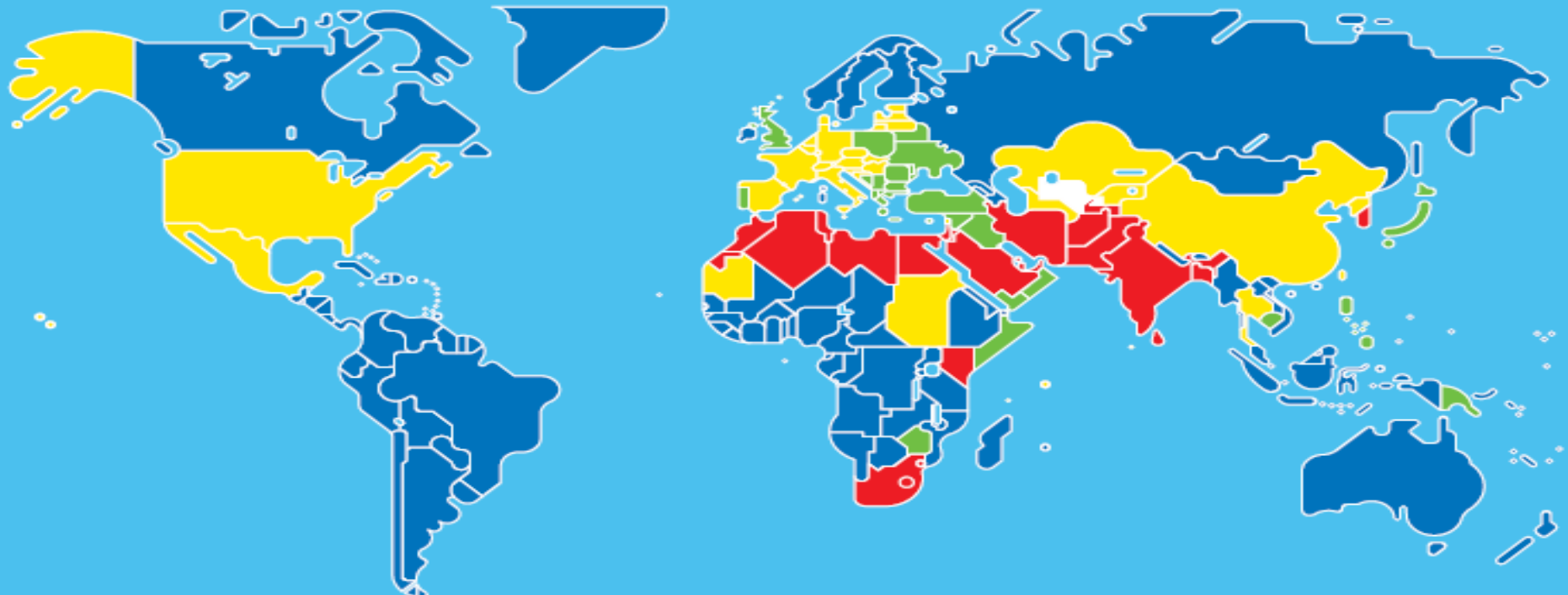
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# Global Water Issues → Scarcity

The following map projects how much water will be withdrawn with respect to the amount that is naturally available.

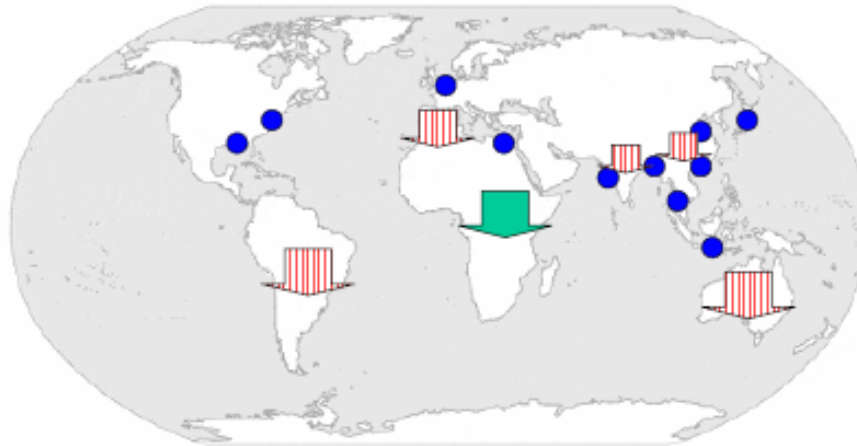
 over 40%       40% to 20%       20% to 10%       less than 10%

~~2025~~ **2005**





# Flooding, Changing Climate Patterns

## Key impacts – Coast, water, food



Three delta regions will produce 80% of China's GDP by 2050

- Coastal conurbations prone to sea level rise and storms ●
- Lack of pure water 
- Falls in crop yield 



# Water Related Risks become Financial Risks



# Global Water Issues → Pollution



Water pollution: Nanjing and  
Yangtze Rivers, China



# Water Related Risks become Financial Opportunities



**SNS REAAL**



**PICTET  
FUNDS**



**TERRAPIN  
ASSET MANAGEMENT**

## FIVE & TWENTY-YEAR COMPARATIVE SUMMARIES

### 5-Year Summary 12/31/1998 to 12/31/2003

Investment	Total Return	Annual Return
Water Utility Stocks*	107.96%	15.77%
S&P 500 Index TR	-2.81%	-0.57%
Dow Jones Industrial Average TR	24.97%	4.56%
NASDAQ Composite Index	-7.04%	-1.45%

### 20-Year Summary 12/31/1983 to 12/31/2003

Investment	Total Return	Annual Return
Water Utility Stocks*	1,733.18%	<b>15.65%</b>
S&P 500 Index TR	1,045.68%	12.96%
Dow Jones Industrial Average TR	1,375.95%	<b>14.39%</b>
NASDAQ Composite Index	619.08%	10.35%

Source: Bloomberg Analytics



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# Water Related Risks become Financial Opportunities

<b>Technology</b>	<b>Market in 2000</b>	<b>Market in 2012</b>
<b><i>Industrial Water Purification</i></b>	<b>\$5-6 billion</b>	<b>\$20 billion</b>
<b><i>Desalination</i></b>	<b>\$4-5 billion</b>	<b>\$75 billion</b>

Source: Frost & Sullivan, CleanEdge, Water Technology, EBI, Charles Schwab, R.K. Miller & Associates, Inc.







PRI

# Principles for Responsible Investment



APRIL  
27  
THURSDAY



# UNPRI:

**\$14 Trillion**

**380 institutions**

**35 countries**

