

IFC and Water

AT A GLANCE

- Access to water is a critical development challenge that poses risks to economic growth and the environment. The global water sector is finding ways to measure, conserve, and value this finite resource to address the challenges of ensuring access, quality, and reach.
- Demand for water is increasing exponentially, while the supply is decreasing because of excessive withdrawals from the agricultural, industrial, energy, and domestic users.
- Public funding for water is limited but there is growing private sector interest in industrial water-demand management and efficiency, as well as improved wastewater management. Public-private partnerships are helping balance competing demands for access to water and ensure sustainability.
- Increasingly, economic policies in developing countries are taking into account the links among water, food, and energy security. This has prompted renewed interest in the concept of integrated water management, fostering a global analysis of sectors that use water extensively, such as agriculture (75%), industry (15%), municipal, and the environment.
- Since 1993, IFC has invested more than \$1.4 billion in 79 transactions in the water sector to help extend reach and access, and support technological innovation to help meet the Millennium Development Goals for safe [water](#). IFC also has closed eight advisory transactions in water, waste, and solid waste. In 2009 alone, IFC clients supplied water to more than 35 million people.
- IFC aims to increase transactions significantly in the water sector to about \$1 billion in investments a year from fiscal 2013 onward.

WHAT IFC IS DOING

Water Resources Group

- The **Water Resources Group (WRG)** is a neutral platform where public, private-multilateral, and nongovernmental-organization actors can collaborate to transform the water sector.
- Since 2012, the WRG has been housed at IFC. It provides expertise to help governments transform their water sectors. There has been substantial interest in the initiative from several developing countries, including India, Jordan, Mexico, Mongolia, Pakistan, and South Africa.
- In 2009, IFC and McKinsey and Company led the 2030 Water Resources Group, a range of organizations from the private and public sectors, in producing the report ***Charting Our Water Future***, which analyzes the nature and scale of the global water challenge and proposed real-world solutions to close the demand/supply gap. This group later became the WRG.

“Safe Water for All” Report

- IFC’s report, *Safe Water for All: Harnessing the Private Sector to Reach the Underserved*, identifies effective private sector business models for providing safe water and sanitation to base-of-the-pyramid markets, and it presents the challenges these businesses face in scaling up.
- The report shows that there are significant opportunities for leveraging IFC’s resources and expertise in investment, risk management, and policy development to scale up private sector delivery of safe water and sanitation to the underserved through sales of products and services such as vended water, point-of-use treatments, and toiled facilities.

Corporate Water Footprinting

- IFC is a founding partner of the Water Footprint Network (www.waterfootprint.org), which currently has more than 100 members, including the Coca-Cola Company, Unilever, and IFC client Jain Irrigation Systems Ltd.
- IFC is leading the development of a simple method to assess the sustainability of corporate water footprints within the network and the development of related software.
- IFC undertook a pioneering Water Footprint Assessment with Jain Irrigation Systems Ltd, an Indian client company that is a world-leading irrigation manufacturer and a producer of processed agricultural goods.

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