



# The Future of Water: The Role the Private Sector can Play

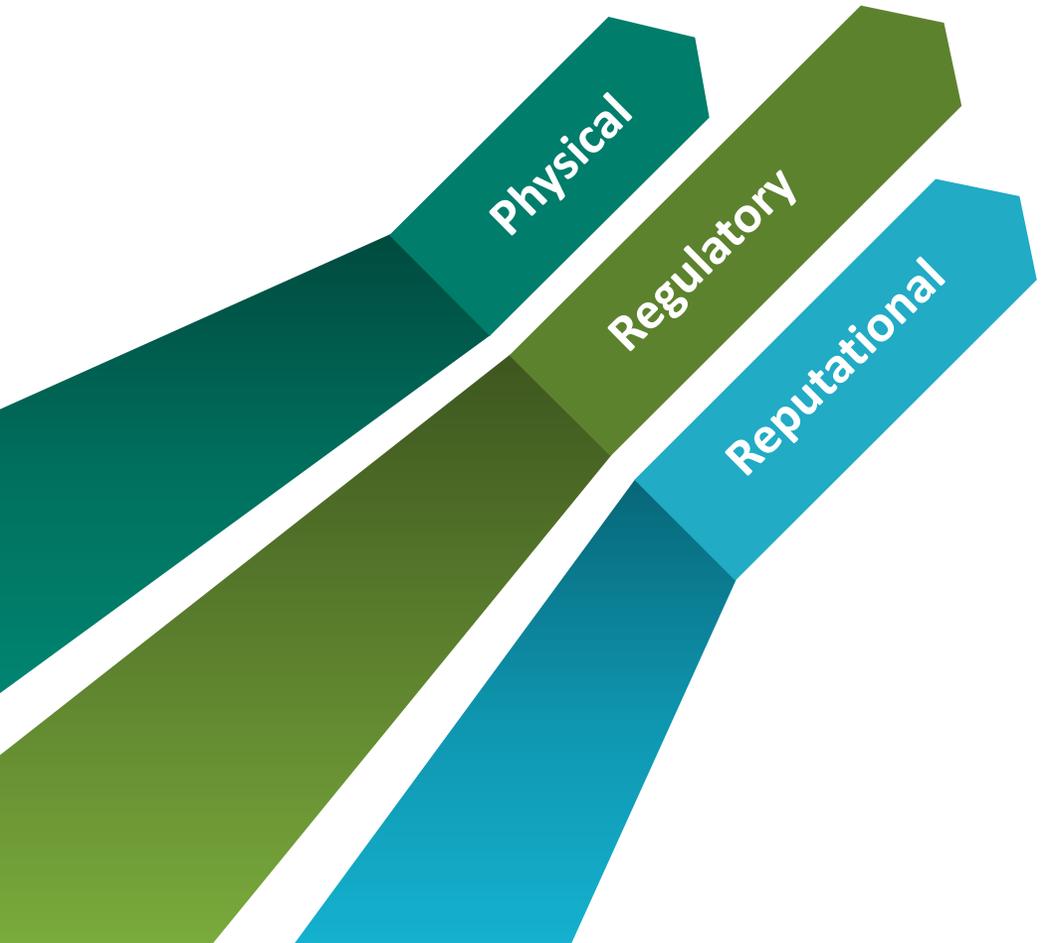
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President Engro Corporation

21st November 2017

# Climate change will have devastating effect on the private sector as well

There are three related risks to the private sector



Physical

Regulatory

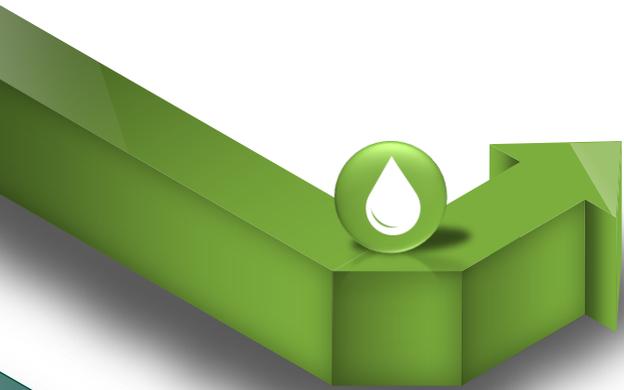
Reputational

- No water for farmers
  - Flooding disrupts crops, logistics and displaces people
  - Lack of water in the production/manufacturing process
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- No pricing mechanism in place
  - Restrictions on water entitlement: awaam first, then industry
  - No National Water Policy, poor service, no accountability
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- Private sector could be seen as “excess’ water users
  - Poor treatment/recycling of waste water
  - Limited growth prospects if products rely on high water usage

So what are the  
Solutions?

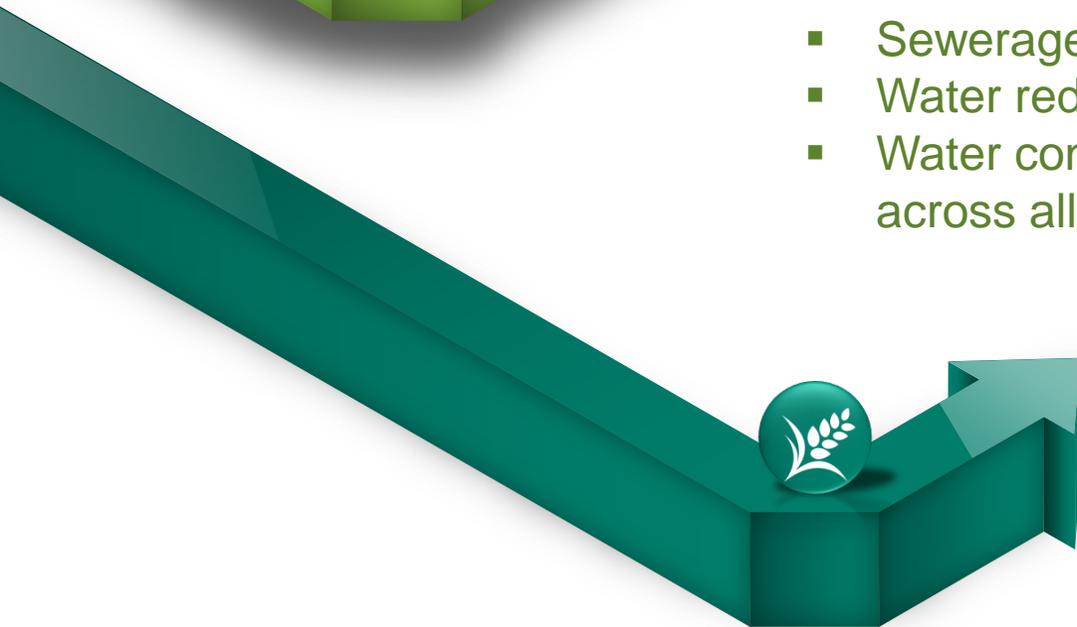


# Private sector needs to start with itself – Engro's water highlights



## Commitment to water efficiency at all plants and field sites

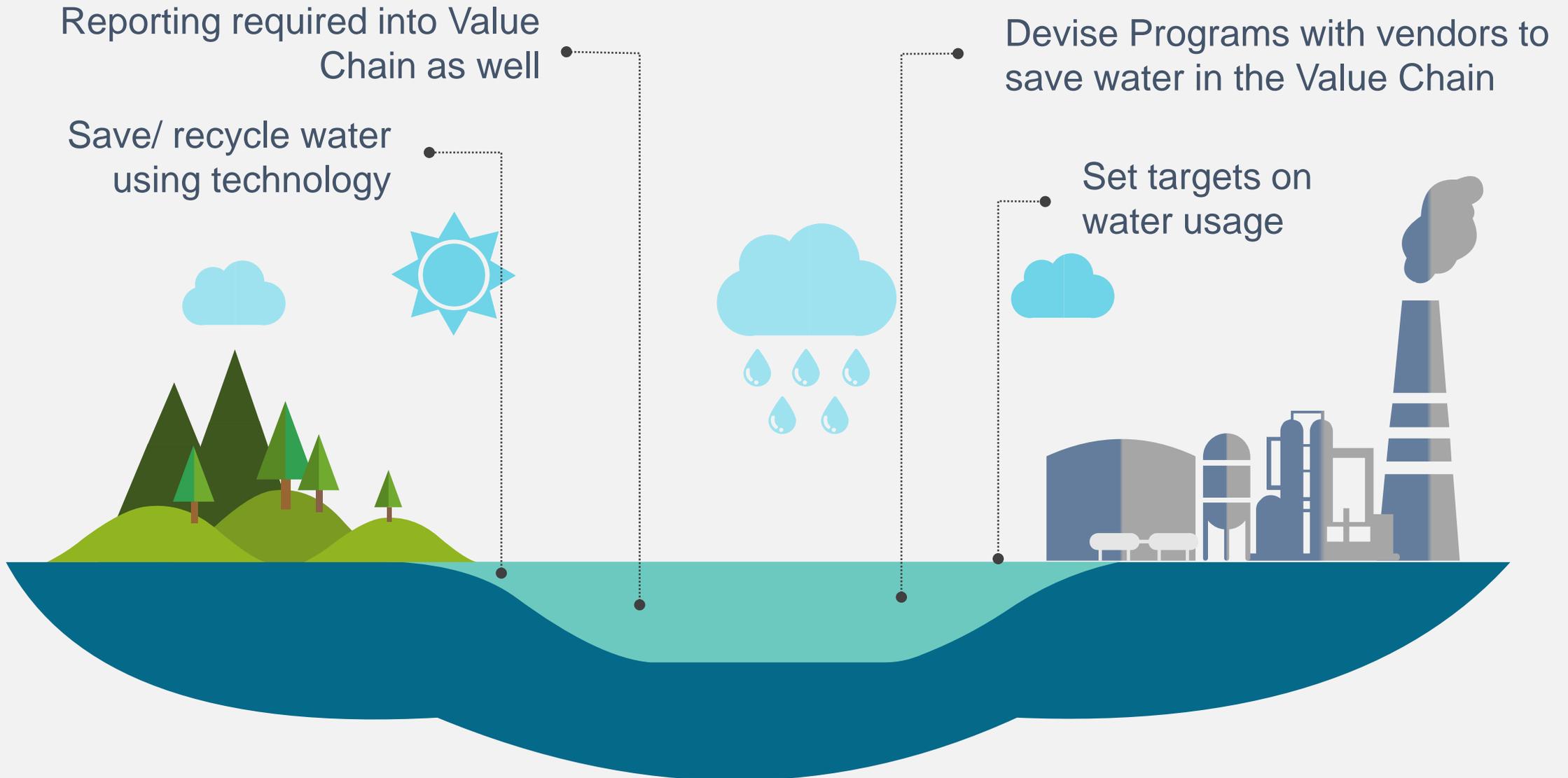
- NEQS compliance on waste water/ affluent at all sites
- Installation of RO plants in the production/ recycling process in Thar & Daharki
- Sewerage/water lining of communities around Daharki and Qadirpur plant
- Water reduction initiatives in Foods milk collection centers
- Water consumption decreased by 12% in 2014 and another 7% in 2015 across all our companies



## Conservation in the agri-value chain

- Saving 10- 12% of water in Farmer Connect (20,000 farmers) in the rice belt using alternate wetting drying method (AWD)
- Setting up bio-saline agriculture initiative in Thar
- Big proposal in the pipeline with Dutch Government and RFC in the dairy value chain

# There is great room for improvement in the private sector's value chains



# An incentive based regulatory framework with Government needs to be followed

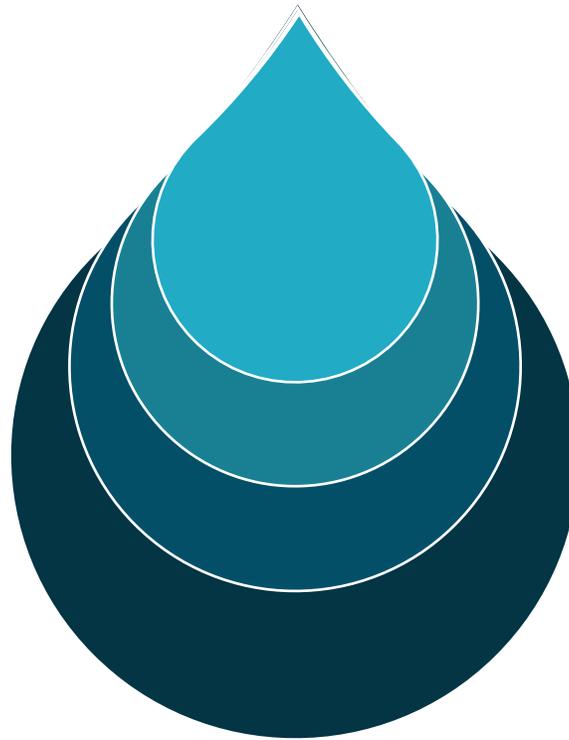
Regulation and provision should be separated & government regulatory capacity needs to be

## Government Focus

Government would focus its attention on policy, regulation & sustainable financing of water infrastructure that increase water sources

## Public Private Partnerships

Allow public-private partnerships to compete for the right to provide for public water services



## Sustainable Pricing

Implementation of a transparent and enforceable system of water pricing entitlements at all levels

## Participatory Approach

An independent regulator that balances the disparate interests of providers, the users, and the government itself

# Private Sector Can Help – Urban Management

## *Manila, Philippines: Case study on Water Utility*

Manila suffered from an old and inefficient water system in the 1990s (Karachi now)

3/4 of the homes in eastern half of Manila lacked 24-hour service & only 8 percent had sewerage connections

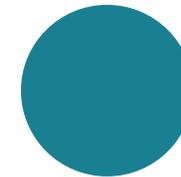
Almost 2/3 of water produced was being lost to leaks, poor metering & illegal connections

In 1995, this situation prompted Philippines government to enact National Water Act

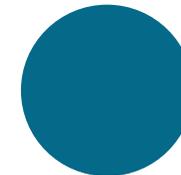
Government decided to privatize water utility into 2 companies with a regulatory framework

Five-year rebasing system, which guaranteed a certain rate of return to privatized utilities

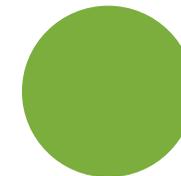
### As a result



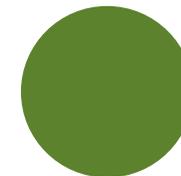
Service continuity in the city went from 26% in 1997 to 99% in 2011



Level of water loss fell from 55% to 26% in the same period



From 13 employees per 1,000 connection ratio was 1.4 in 2010

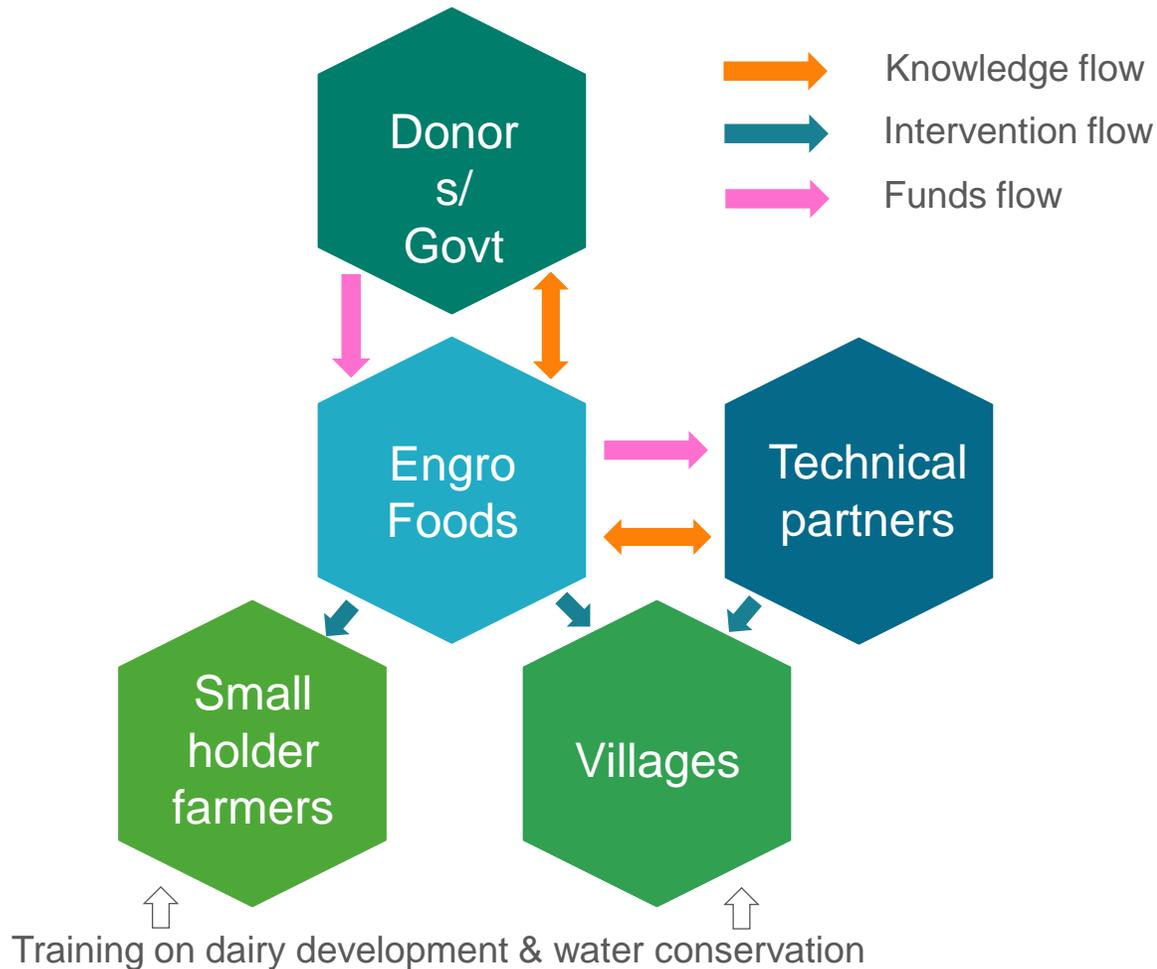


Issues like tariff revision, target delays but overall positive outcomes

# Private Sector Can Help – Rural Management

Partnering with donors and specialists on integrated rural water management

## Integrated Rural Water Management Program- Dairy Value



### Village level water training

- Lining of communal water courses
- Waste water recycling through constructed wetlands
- Rain water harvesting

### Farmer capacity training

- Installation of high efficiency irrigation systems
- Laser leveling
- Livestock water troughs for drinking
- Livestock showering
- Water infrastructure

In summation

Engro is trying to:

- use less
- be innovative
- work with stakeholders
- drive initiatives on the ground
- learn more

Thank you...

