

The global water challenge

In 2015, **663 million people worldwide are still without reliable access to safe, clean water** for drinking and food preparation. That's **9% of the global population** living without safe drinking water.* Four times this number are without access to basic sanitation and hygiene.

*United Nations Department for Economic & Social affairs global population estimate



The SDGs and the Post 2015 Agenda

On July 16th a historic agreement was brokered by the UN and its member states to adopt, and finance, **17 new Sustainable Development Goals, leading to the eradication of extreme poverty by 2030.**

Unlike the MDGs which were reliant on ODA, the new goals will be financed in partnership with the private sector too. **'Billions to Trillions'** is the phrase of the moment due to the nature of leveraged funding being explored.



UN Secretary General Ban Ki-moon and World Bank President Jim Yong Kim at the Financing For Development Conference, Addis Ababa, July 2015

Where can I find out more?

Please contact **Duncan Goose** at Global Ethics or **Sarah Beeching** at Oshun Partnership for a copy of the discussion paper and concept note, or download here: www.globalfundforwater.org



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Global Ethics commissioned research based on this concept by **Oshun Partnership**, a UK based consultancy, specialising in mobilising collective action to tackle problems across development sectors.

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GLOBAL INVESTMENT FUND FOR WATER

A commercial opportunity



The Global Investment Fund for Water

The Global Investment Fund For Water (GIFFW) is a proposal to create an **innovative financing facility for water resource management** in developing countries, to deliver safe drinking water and sanitation services. The fund would be created by leveraging **1 cent on every litre of bottled water sold worldwide**.

Why there is a need for the GIFFW?

The GIFFW will be the platform from which to co-ordinate a Global response to the world's water and sanitation challenge.

Just 1 cent per litre could raise **\$3-4 billion a year** for investment in water and sanitation services in regions around the world that need it most.

Global bottled water consumption 2004-19

Litres millions	2004	2009	2014	2019f
North America	25.5	33.7	41.5	50.6
West Europe	45.1	47.0	49.0	53.0
East Europe	11.5	16.1	18.4	20.4
Latin America	29.0	37.5	50.6	62.6
Asia Pacific	38.7	72.0	130.9	200.0
Middle East	13.0	19.9	27.5	34.9
Africa	4.3	9.2	15.7	24.1
Total Volumes	167.1	235.4	333.6	445.6

Source: Zenith International for Global Ethics

These funds could be **leveraged through matched funding** by ODA investments from development funding partners such as DFID, USAID, Netherlands Foreign Affairs Ministry, The World Bank, IFC etc creating even greater scale.

How you could support the fund?

- Pass the cost of 1 cent per litre on to consumer – this is a negligible price increase per customer sale
- Communicate positively throughout the bottled water category to provide the customer with a compelling call to action
- Spread the cost through very small incremental price rises across other categories
- Pass the cost on to high margin suppliers or through small incremental rises in listing fees

Why involve grocery retailers?

67% of the world's water is used in agriculture – that's the front area of every supermarket, plus dried, canned and processed foods elsewhere all over the store, as well as clothing. The retail supply chain is reliant on areas of the developing world for products that are water-intensive in their production.

Long term security in the retail supply chain is heavily dependent on ensuring adequacy of water provision across the vast areas of the globe – that's securing the water supply to people as well as to crops.

So, why should you support the fund?

Commercial benefits

- Work towards securing fragile parts of the retail/ agriculture supply chain (long term gain)
- Funds generated could be invested and provide returns
- Potentially cost neutral – cost increase passed on at retail
- UN Global Compact and CEO Water Mandate provide a strong call to action for signatories
- Industry leadership
- Development stewardship

Marketing/PR benefits

- Leverage a Global programme to communicate with customers such as through in-store marketing
- Generate positive PR through early adoption of the scheme
- Global branding/platform potential
- Link to CSR strategy and engagement with issues
- Thought leadership (for early adopters)

The commercial opportunity

This is not about CSR, short-term gains or PR opportunities, although these will all be benefits of the programme. This is about **commercial sustainability** in the long term, by providing and preserving vital resources by leveraging normal commercial trading.

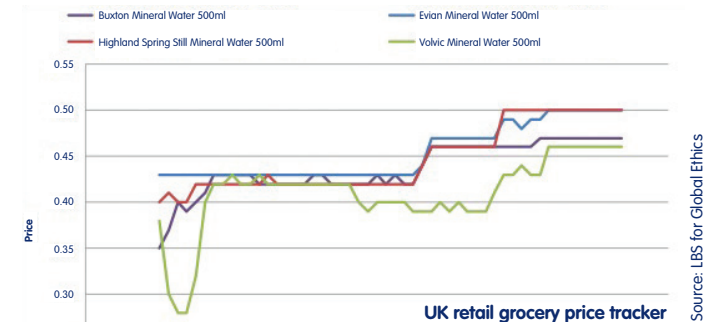
How would funds be raised?

A global investment fund would raise **1 cent from every litre of bottled water sold worldwide**. Ideally this would be a voluntary levy on retailers with the money raised going exclusively to water and sanitation related investments.

The global investment fund could be used to finance early stage or catalytic investments in water and sanitation programmes, or where there are funding gaps historically filled by grants.

How much would the fund raise?

A **1 cent** levy per litre of bottled water could raise more than **\$3 billion per annum**. These price increments could be made during normal retail price increase changes.



Source: LBS for Global Ethics

How would the funds be managed?

The question of how resources channelled to any new financing mechanism would be managed are TBC e.g.

- **Multi-donor trust fund**
- **Institutions with technical expertise and fiduciary risk management capability**
- **A new fund set up managed by an investment bank**
- **A new fund managed by an independent institution**

How would the funds be distributed?

The details of exactly how funds are raised and distributed needs to be worked out with all the relevant stakeholders including investors, governments, technical experts and the private sector.