



WATER-RELATED INNOVATION TO MANAGE WATER RISKS

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Industry's role in ecosystem and watershed management
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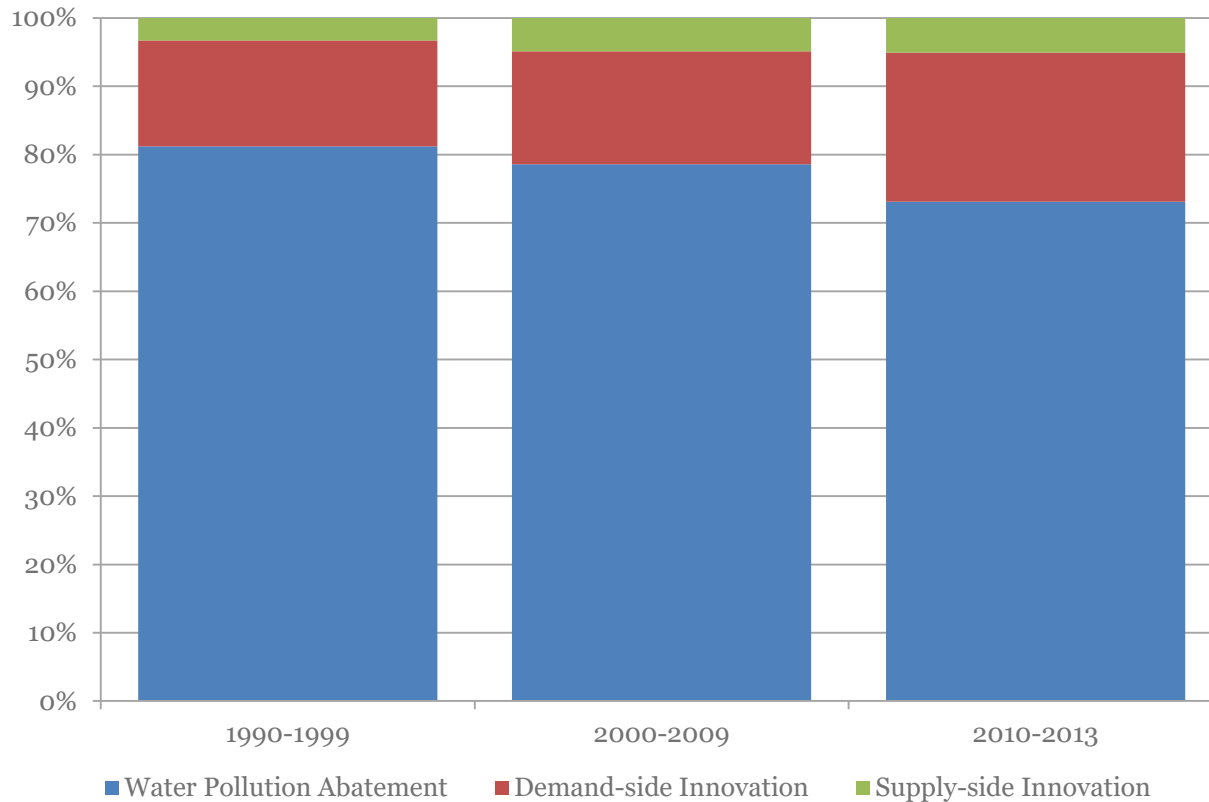
The benefits of innovation for water and ecosystems

- Improve the efficiency of water use
- Lower costs of water security
- Generate new investment opportunities
- Support policy (monitoring, regulation)



Trends in water-related innovation

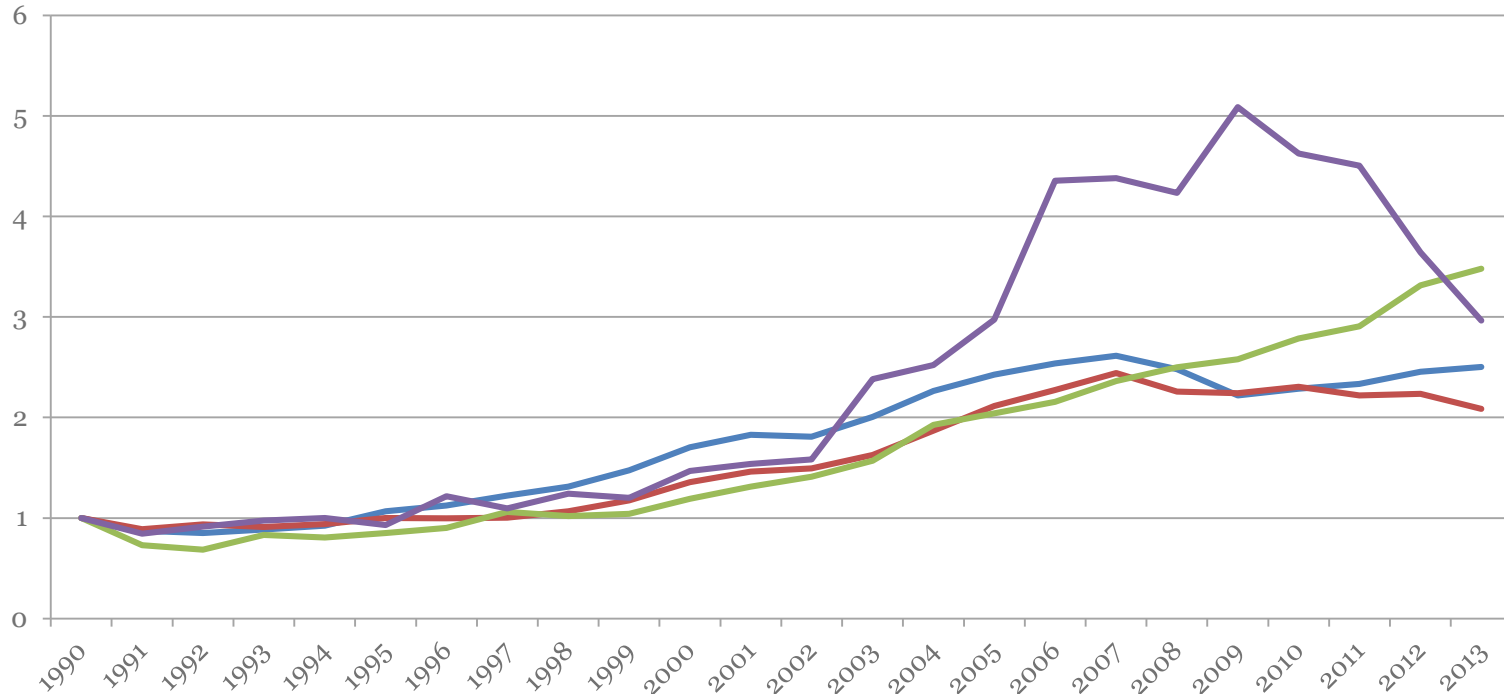
Shares by category





Trends in water-related innovation

Growth by category



— All technologies (total patents)

— Water pollution abatement

— Demand-side technologies (water conservation)

— Supply-side technologies (water availability)



The geography of water-related invention - Overall inventive activity

Country	Share of global water-related technologies 1990-2013	Relative Technological Advantage (RTA)
United States	23.8%	0.86
Korea	17.6%	1.20
Germany	10.8%	1.07
China (People's Republic of)	9.6%	1.30
Japan	8.0%	0.57
Russia	3.3%	1.13
United Kingdom	3.0%	1.18
Canada	2.6%	1.50
France	2.6%	1.00
Chinese Taipei	1.4%	0.39



Water-related innovation

A financier's perspective

Venture capital

- Disappointing returns
- Long payback periods

A role for “patient” capital

- Without defined exit timelines
- A staged gate system to partner with others

Reasons for optimism

- Increasing water prices in a number of countries
- More and better regulation (notably China)
- Companies can have quite high valuations and can be quickly acquired



Innovation for water and ecosystems

Scaling up

- Innovation does not disseminate in isolation
 - Packaged solutions
- Technology is only one dimension
 - Business models
 - Institutions
- A role for government
 - Beyond techno push
 - Stimulate demand for innovation
 - Value water and ecosystems



Thank you

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