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

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