



Water Stewardship & Basin Finance in Indus Basin

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Ravi River & The Indus Dolphin

- 720 km stretch of river, 500 km in Pakistan
- Tributary to the Indus river
- Pollution from industrial areas of Lahore and Faisalabad
- 1200 Indus dolphins remaining
- Lack of capacity at government level to implement water governance practices (pollution & water allocation)



Economic activities in Lahore

2700 SME's in Lahore industrial zone in textile, leather, pulp & paper and sugar

- Global brands sourcing or own plants in this area (Nestle, Levis etc)
- Incentives for SMEs to reduce pollution
 - Cost reduction
 - Regulatory risk
 - Reputational risk (access to market)
 - Physical risk



Business case

- 3700 SMEs need access to micro & SME finance to introduce water efficiency and energy efficiency at site level
- Pilot 21 SMEs investment about \$50 k/SME
- Total size SME finance \$50-100 million
- Push to PK government to improve water management in Ravi River:
- \$2.5 million TA by ADB to improve capacity Water Resources department
- Potential \$1.2 billion pipeline of sovereign loans



Conclusion

- Water Stewardship approach
- Starting with small SME finance
- Resulting in better
 - water governance
 - Large scale infrastructure to clean the Ravi River