



Managing business water risks and its implications on water governance: Game changer business as usual

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PEGASYS
Strategy and Development

THE SOUTH AFRICAN WATER STORY...

- ✓ **High variability in flow**
- ✓ **Water demand & supply gap of 17% by 2030**
- ✓ **Water resources have been over allocated**
- ✓ **Water quality is a major challenge in addition to water availability**

MEGATRENDS

Water Impacts

Business Impacts

Community Impacts

Water scarcity

- E-flow requirements

- Water availability
- Cost of treatment
- Regulatory risk

- Basic water needs
- Food security

Demographic change

- Water allocation challenges- agric

- Competition
- Legal & social license to operate

- Increased livelihood vulnerability
- Loss of labour to urban areas

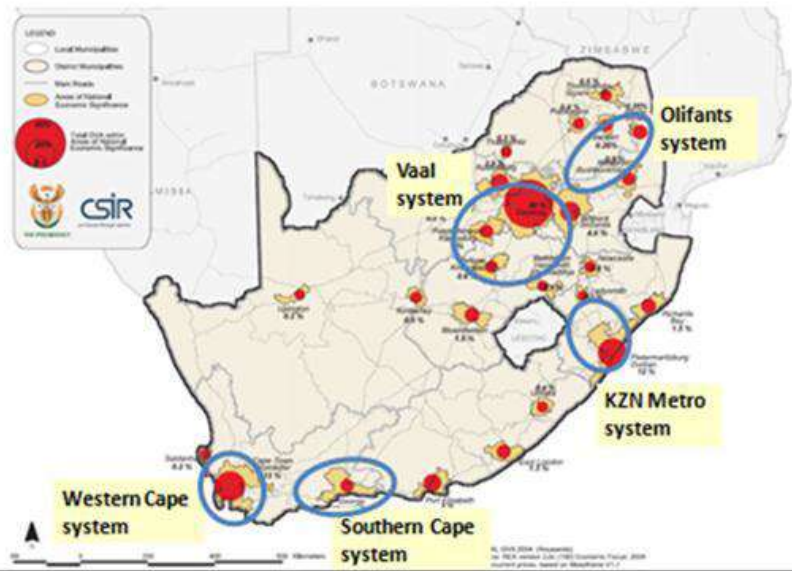
Climate change

- Increased water stress
- Habitat destruction

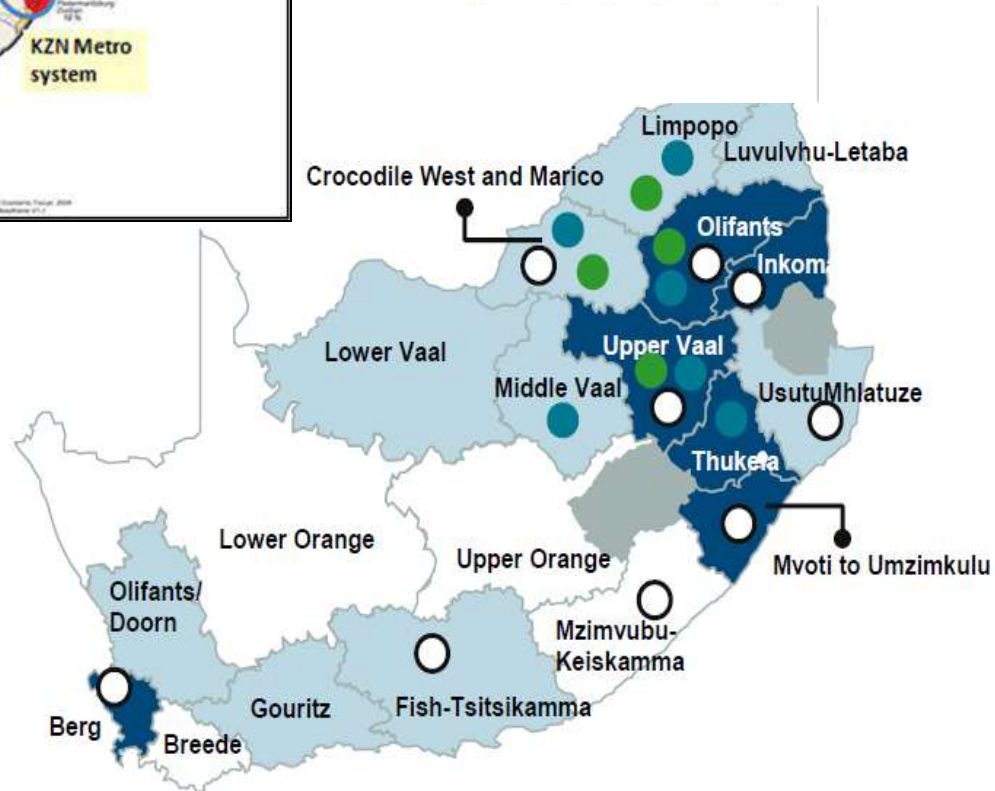
- Risk to business continuity
- Financial loss

- Livelihood vulnerability
- Health impacts

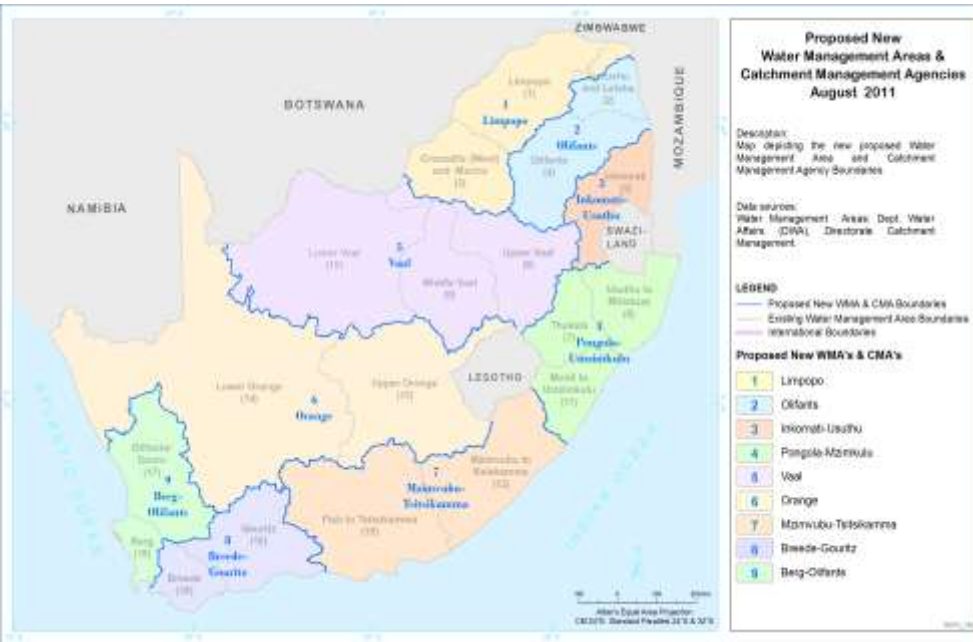
Water supply systems of interest against relative GDP



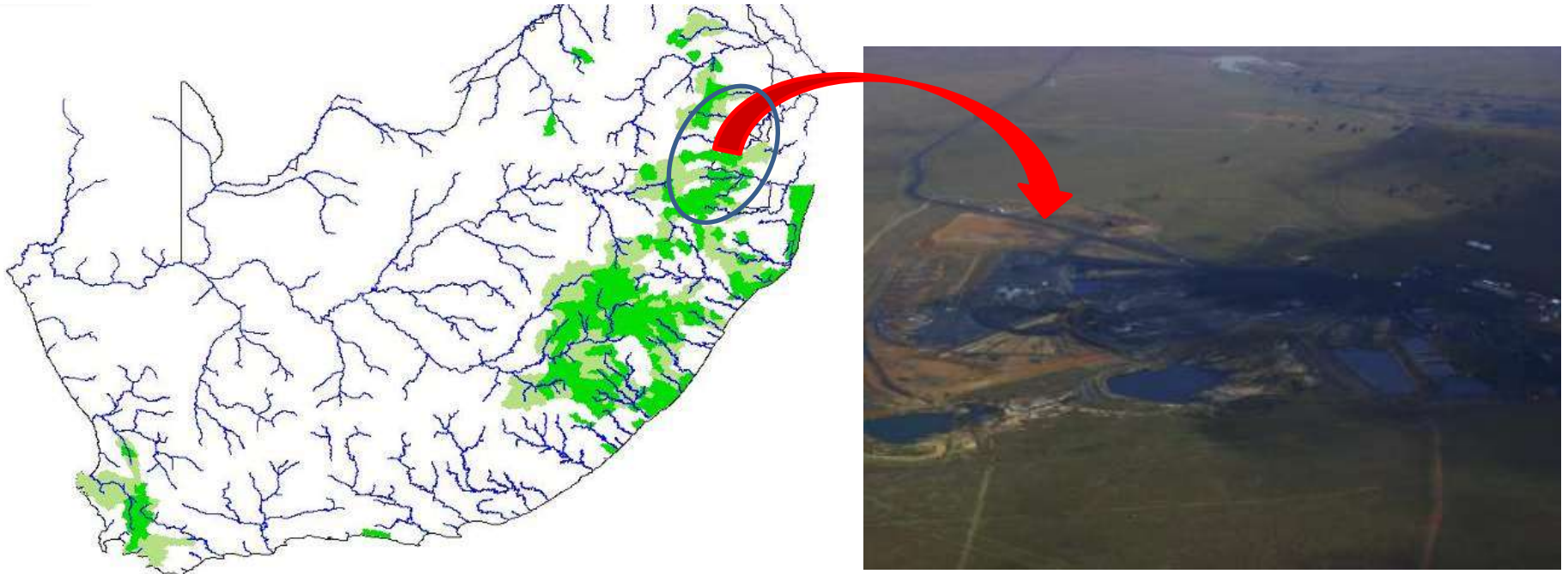
Water & SA's economy



Water is a local issue



South Africa's water factories



**Mpumalanga: 50% of runoff occurs in 19% of the surface area.
≈40% threatened by mining (prospecting & related activities)**

Recognition of the challenge



Why does it matter to business?



A diagram consisting of five stylized, overlapping clouds arranged in a circular pattern. Each cloud contains a business-related term. The clouds vary in shade of blue, with 'Regulatory' and 'Technical' being the darkest, and 'Market' being the lightest. The clouds are arranged such that 'Market' is at the top-left, 'Financial' at the top-center, 'Technical' at the top-right, 'Social' at the bottom-right, and 'Regulatory' at the bottom-left.

Market

Financial

Technical

Regulatory

Social

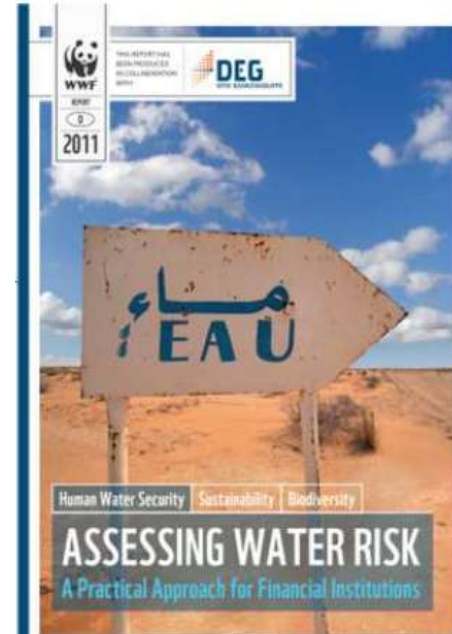
Emerging trends in business response to water risks

✓ *Tools for managing water risk*

✓ *Nature of private public partnerships are changing*

✓ *Recognition for water stewardship efforts*

✓ *Mostly large companies are proactive*



Water risk implications on governance

✓ *Stronger regulatory framework*

✓ *Opportunity for skills transfer*

✓ *Effective stakeholder engagement*

