Consultancy proposition

Our view

There is a strong case to be made for incorporating the value of water into decision making frameworks. We think that the current overemphasis on volumetric approaches (focused on planetary boundaries and 'replenishment') contributes to chronic underinvestment in water resource management and service provision, in many parts of the world. Breaking the status quo requires a novel approach to valuing water that – in addition to volume – accounts for differences in who is using it, where, and how it is being used. Our innovation is in applying this approach within specific basins to support dynamic, contextual value discovery. To operationalise the output, we generate a series of shadow water prices for each basin.

Shadow water pricing

While shadow water prices are not a new idea, historically they have been ineffective in influencing decision-making at scale. We say more about this in our <u>Prospectus</u> but in short, highly conceptual approaches are in practice difficult to incorporate into decision making. Instead, we generate data that can be applied by public agencies, the private sector and financial institutions directly into their process. We focus on the value of water as the basis for shadow pricing because it provides a strong allocative signal that can inform cost recovery, increase efficiency, and improve returns on capital and operational investment.

What we can do

We work at the intersection of economics, policy and technological innovation. Our solution uses remote sensing, in situ, and contextual data; which we enhance through machine learning and AI. The current model incorporates local dynamics of resource availability, supply and demand. We're working to incorporate water quality and access (WASH), and we're actively integrating sensitivities such as basin health, climate stressors, regulatory regimes, competing use, GESI, policy considerations and other variables into the framework.

Our aim is to provide insightful data at scale, rather than consultancy. But over the next few months, we would love to work closely with a few (<10) companies who have an active water stewardship agenda. We're able to implement various solutions, including basin assessments (e.g. for siting decisions or investment prioritisation); WASH impacts; demand and supply projections; and RoI modelling based on shadow water prices. Equally, if there is something else specifically around valuing water that interests you, we'd love to have that conversation. If what you're mainly looking for is help with volumetric replenishment accounting or an assessment of site level 'water risk', then we're probably not of interest to you.