

## Agbiz and the IFC host workshop on water use efficiency in agri-processing

On 25 March, Agbiz and the International Finance Corporation (IFC), a member of the World Bank Group, jointly hosted a workshop on water use efficiency in agri-processing. Agbiz members and other companies involved in the agricultural, manufacturing, paper and pulp value chains gained insight into the matter through presentations and panel discussions that included representatives from the IFC, private companies, industry associations, academia, government and community cooperatives.

The first session allowed private companies to showcase some of the successful initiatives that they have implemented and the challenges they have experienced by investing in technologies and management practices that resulted in significant savings in water use. This was likewise bolstered by case studies showcasing similar research conducted by academia. The aim of this session was to showcase what can be done, but also for other companies to hear first-hand the benefits that these investments have yielded. Many of these solutions are relatively simple, but innovative, such as using brine instead of potable water to clean equipment and floors. The second session focused primarily on the regulatory environment and possible amendments that would incentivise and streamline investments into more efficient water use.

The panel discussions and presentations provided for a diversity of views and robust debate. Be that as it may, there were a few recurrent themes that clearly came out of the discussion.

Firstly, competition for water resource allocations will come under increasing pressure in the future as our water resources are highly stressed and the situation is exacerbated by an increasingly variable climate. Future scarcity therefore acts as the biggest push factor driving companies towards these investments opposed to a reduction in costs as water continues to be a relatively small input cost. Be that as it may, there are concerns that allocations and restrictions operate from a historical baseline that does not distinguish efficiencies and inefficiencies.

Put bluntly; restrictions are equally imposed on efficient and inefficient companies. Greater incentives therefore need to be developed to reward efficient firms and encourage investment. Aside from available capex, a critical component required for the successful implementation of water use efficiency improvements are partnerships with local government and regulatory entities. The resultant benefits are likewise not only limited to economic gains or business sustainability as the resulting excess created can result in meaningful socio-economic benefits in an economy whose growth may increasingly become constrained by water availability.

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