Expanding stress drives large shifts in water infrastructure, bringing risk and opportunity

Water supply and demand will both become more volatile as a result of climate change and the IPR, increasing investment needs and the risk of mal-adaption and infrastructure asset stranding

• Shifting weather patterns will change the timing and distribution of water supply
• Land use changes from IPR FPS, including expansion of forest land and agricultural intensification, change patterns of water demand

The consequences for a lack of forward business planning will become more frequent and severe. Additional due diligence is required for land-intensive investments in regions of increasing stress.

The IPR also brings investment opportunities

• IPR drives a 39% expansion in the world’s irrigated areas, doubling total annual investment in irrigation infrastructure by 2050
• US$4.6 trillion in total investment is required over the next 30 years, with total annual capital investments reaching levels 1.6x those of solar and wind today
• Finance will increasingly be driven by the private sector