

Pakistan's Water Risks

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Physical Water Crisis: Scarcity & Supply



- 💧 **Critical Water Scarcity:** Per capita availability has dropped below 1,000 m³ (below the water-stress threshold).
- 💧 **Agricultural Demand:** Agriculture consumes approximately 85-90% of freshwater resources, with significant efficiency losses.
- 💧 **Climate Vulnerability:** Accelerated glacier melt, and erratic monsoons drive extreme floods and severe droughts, creating constant supply shock risks.





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Physical Water Crisis: Quality & Depletion



- 💧 Groundwater Depletion: **Over-extraction** in key agricultural regions like Punjab and Sindh is **causing water tables to fall rapidly**.
- 💧 Water Quality Degradation: **Widespread contamination** from arsenic, salinity, and industrial waste renders a majority of groundwater sources unsafe.
- 💧 Urban Supply Gaps: Major cities like Karachi and Lahore face **a severe mismatch between water demand and supply**, with aquifers under critical stress.



- 💧 **Fragmented Policy Framework:** Water governance is divided between federal and provincial authorities, leading to inconsistent implementation.
- 💧 **Weak Enforcement:** Industrial effluent standards are largely unenforced, with most wastewater discharged untreated.
- 💧 **Data Gaps:** A lack of centralized, real-time water data hinders effective management and accounting.



- 💧 **Global Supply Chain Rules:** International buyers demand compliance with international standards.
- 💧 **ESG Reporting:** Investors and stock exchanges are increasing pressure for transparent disclosure of water stewardship performance.
- 💧 **Operational Costs:** The financial burden of water sourcing, treatment, and compliance is rising.



- Community Conflicts: Companies face direct opposition from local communities over perceived water over-extraction and pollution.
- Brand Image: Intense media scrutiny can quickly label companies as "water exploiters," damaging public perception and brand equity.
- Social License to Operate: Maintaining trust is essential for uninterrupted operations.



Financial Risks: Market Access and Disruption

- 💧 Market Access: Failure to meet water stewardship standards can lead to loss of contracts with international brands.
- 💧 Investor Confidence: ESG performance is directly linked to investor appeal and capital access.
- 💧 Operational Resilience: Floods and droughts directly disrupt supply chains, damage assets, and halt production.



- 💧 Physical Risks threaten business continuity.
- 💧 Regulatory Risks threaten our license to operate.
- 💧 Reputational Risks threaten brand value and market access.

