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Press Release

NEW White Paper! Financing resilience at scale

Water conservancy REITs & water asset/revenue backed securities

New CWR white paper supported by HSBC & the Hong Kong Green Finance Association (HKGFA) highlights 5 distinctive financial product innovations worth CNY6.6bn to mobilise private capital to close the global funding gap for water security of USD7.5trn by 2040.

Hong Kong, 2 September 2026 – CWR, in collaboration with HSBC & HKGFA, releases a white paper – *"Financing resilience at scale: Water conservancy REITs & water asset/revenue backed securities"* – highlighting distinctive financial product innovations that can mobilise private capital to unlock trillions of dollars needed to finance water resilience at scale. As the USD7.5trn global funding gap for water security by 2040 cannot be filled by governments alone, the white paper explores five financing instruments raising CNY6.6bn – including a global first from China – to kickstart conversations on new ways to finance water resilience.

Why it matters now ...

The paper is timely as water risks are pervasive. Chaoni Huang, HSBC's Head of Sustainable Finance & Transition Asia who supported the development of the paper said *"water resilience is emerging as one of Asia's most significant financial risks – not just an environmental issue – but also a significant investment opportunity".* The paper seeks to *"stimulate new thinking"* added Huang plus *"catalyse dialogue among clients, investors, financial institutions, policymakers, regulators & infrastructure owners on how market-based financing solutions can bridge Asia's water resilience gap."*

Globally, 1 in 4 cities face water insecurity today and 2.2bn people still lack clean drinking water according to the World Bank. In addition, a recent report supported by Temasek notes that almost 5bn people were affected by natural disasters globally between 2000-2026 – more than three-quarters of these were in Asia where 94% of the natural disasters were water-related (floods, droughts & storms).

Yet water risks are still rising because *"water is how we largely 'feel' climate change"* explained Debra Tan, Director & Head of CWR. *"All sorts of water risks – from floods to droughts & fires, rivers running dry to rising seas – are accelerating, outpacing our adaptation efforts and widening risk gaps. We must step up resilience against acute water shocks from an increasingly erratic water cycle as well as defend against chronic risks like rising water scarcity and sea levels"* Tan urged.

According to the white paper – for Asia (if emissions continue) – we could see peak water by 2050 across 10 major rivers that provide water to 1 in 2 Asians – this will put almost half the GDP of 16 countries at risk including China, India plus parts of ASEAN & Central Asia.

New distinctive financing solutions for challenges ahead ...

To counter rising water risks, the paper notes that water conservancy spend in China has risen significantly – growing at a faster rate than military spending since 2015. CNY5.7trn was spent in the 14FYP on water infrastructure & conservancy yet more is needed.

So far, governments globally have been carrying the responsibility of financing water – up to 98% from the public sector, development banks & SOEs for developing countries. But as Tan said *"this trend cannot continue – private capital will have to play a bigger role and China's innovative water conservancy REITs can help facilitate private investments in public water assets. Can these instruments be scaled and deployed across APAC? What's Hong Kong's role? That's why we are excited to collaborate with HSBC & HKGFA on this white paper. The challenges are daunting but even a single drop can cause a ripple effect."*

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HKGFA's Chairman & President Dr. Ma Jun concurred: *"Strengthening water conservancy – through the planning, management, and protection of water resources – is central to building a secure, sustainable and economically resilient future."* Dr. Ma also noted that *"whilst the fundamental ambition for sustainable finance is to bridge the financing gaps to solve for our biggest environmental challenges, it is most effective when it provides resilience to both natural and financial systems."* Here, he added that "*China's experience is especially instructive"* and that *"Hong Kong is well positioned to build on these developments."*

Hong Kong's role …

As China's gateway for international capital, Hong Kong has a major role in innovating cross border financing to effect China's goals of a Beautiful China that is water secure and resilient. Adaptation needs across the rest of Asia Pacific also opens opportunities to position Hong Kong as an international adaptation financing hub. To this end, Dr. Ma hopes that the *"distinctive financial products and financing opportunities"* highlighted in the paper can help close the investment gap and that Hong Kong can serve *"as a platform for structuring, channelling and scaling finance for resilient water systems in Asia and other emerging markets."*

HSBC's Huang reinforced this view: *"China has pioneered innovative financing mechanisms – including Water Conservancy REITs, Water Asset-Backed Securities and Water Revenue Rights Securitisation – to channel long-term capital towards water resilience. While these approaches continue to evolve, they offer a compelling blueprint for how innovative financing can be adapted to unlock investment in water resilience across Asia."*

Tackling complex challenges and building successful climate resilience demand multiple stakeholders to work together. This paper is a start – like Dr. Ma said, it *"reflects a shared commitment to advancing practical collaboration*". He also noted that NGOs like CWR & HKGFA play critical roles in the vital nexus for ideas & action between policy & markets in the development of sustainable finance.

The white paper clearly shows the possibilities of unlocking the value of existing water assets to address water supply & treatment issues as well as water conservancy. Financing these at scale will not only help manage water risk exposure and financial risks but also bring compelling trillion-dollar investment opportunities in the water sector. To drive this, CWR, HSBC and HKGFA will helm the discussions on financing water at the scale Asia's water challenge demands.

Media

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Report Link: www.cwrrr.org/wp-content/uploads/2026/08/CWR-Financing-Water-Resilience-at-Scale-White-Paper-02-Sep-2026-FINAL.pdf

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About CWR

In an era marked by unprecedented accelerating water & climate threats, CWR aims to unpack and value complex climate & water risks; rethink transition to "slow down" these risks; and build resilience so that finance, corporates and governments can all make better decisions today for water tomorrow.

Since 2011, the think tank has worked from its Hong Kong base to engage with global finance and business in understanding and managing various types of water & climate risks in China and across Asia. CWR's collaborative reports with financial institutions, IGOs, scientists as well as government related bodies are widely cited by the media to banks and the IPCC – they have been instrumental in understanding Asia's water challenges and informing disclosure frameworks; they compel us to rethink climate & water risks for resilience. Join the conversation at www.cwrrr.org

Supporting Organisations

About HSBC

HSBC is one of the world's largest banking and financial services organisations. HSBC was born from one simple idea—a local bank serving international needs. In March 1865, HSBC opened its doors for business in Hong Kong, helping to finance trade between Europe and Asia, connecting East and West, and the many places in between. The Bank has been supporting customers for 161 years.

Today, guided by its purpose of opening up a world of opportunity, HSBC serves more than 40 million customers, ranging from individual savers and investors to some of the world's biggest companies and governments. HSBC's global network covers more than 50 countries and territories.

HSBC is listed on the London, Hong Kong, New York, and Bermuda stock exchanges.

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About HKGFA

Founded in September 2018, Hong Kong Green Finance Association (HKGFA) provides a unique platform that supports the development of green finance and sustainable investments in Hong Kong and beyond. HKGFA's main goal is to position Hong Kong as a leading international green tech and green finance hub by providing greater access and opportunities for Hong Kong's financial institutions and corporates to participate in green financing transactions locally, in Chinese mainland, and in markets along the Belt & Road. This is in line with the global path to implementing the UN Sustainable Development Goals and the Paris Agreement.

Please visit www.hkgreenfinance.org for more information.