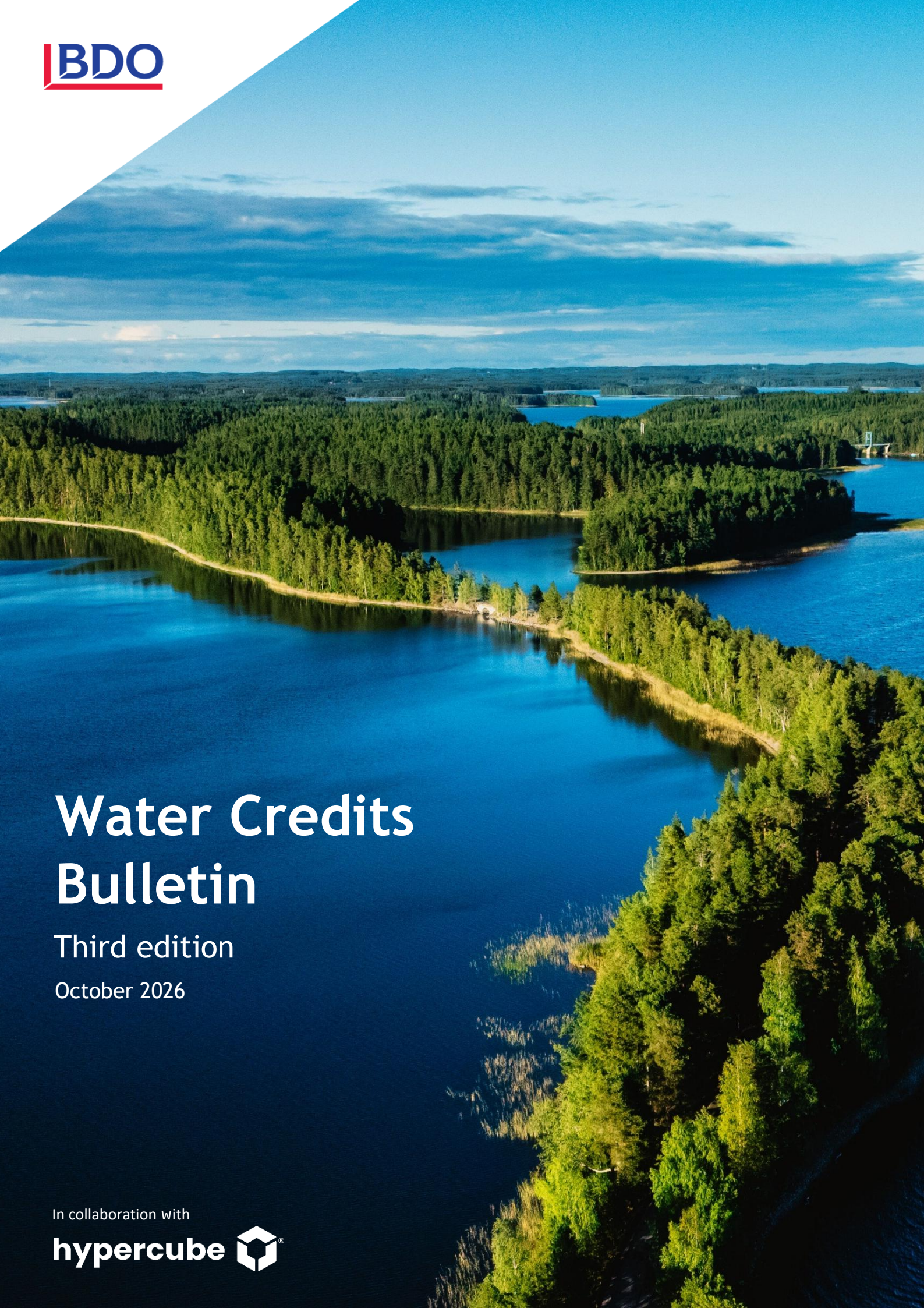


The background of the entire page is an aerial photograph of a large, winding lake. The water is a deep blue, reflecting the sky. The lake is bordered by dense, green forests. In the distance, more lakes and forested hills are visible under a blue sky with some light clouds. The overall scene is peaceful and natural.

Water Credits Bulletin

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In collaboration with

hypercube 



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EXECUTIVE SUMMARY

Water is rapidly evolving from an environmental issue into a strategic priority for governments, businesses, and investors. Growing exposure of territories and economic activities to water scarcity, extreme climate events, and deteriorating water quality is accelerating the search for tools capable of strengthening water resilience and mobilising new investments towards concrete and measurable interventions.

In this context, Water Credits are progressively emerging as one of the most promising mechanisms for connecting verifiable water benefits, private capital, and territorial development. Supporting this strategic evolution of Water Credits as a viable complementary solution are four key drivers, all linked to the ongoing global sustainability transition:

1. **Sustainability Regulation** - the strengthening of regulatory frameworks dedicated to water resource management;
2. **Sustainable Finance** - the growing interest of the financial sector in water risk and water resilience;
3. **Sustainability Standardisation** - the increasing adoption of more robust standards and measurement systems;
4. **Sustainability Transition** - the consolidation of strong institutional and geopolitical momentum around water-related issues.

A particularly significant acceleration has emerged from the recent **Euro-Mediterranean Water Forum 2026**, which confirmed the centrality of water security within international political and economic agendas. The initiatives presented during the Forum, together with the growing commitment of governments, financial institutions, businesses, and local administrations, demonstrate a willingness to strengthen financing mechanisms for water resilience and promote models capable of transforming environmental benefits into shared value for territories. In other words, the Forum appears to have shifted the debate from water as a simple public service to water as a strategic asset to be governed, measured, and financed, opening a potentially favourable space for models based on verifiable water credits or water rights.

“In this scenario,” notes Carlo Luison, BDO Partner Sustainable Innovation, “Water Credits are increasingly positioned to play a significant role in linking concrete interventions, impact measurement, and the mobilisation of resources towards the protection of water resources.”

It is no coincidence that, on 22 September 2026, Italy also presented its first legislative proposal aimed at regulating and incentivising the Water Credit system.





WHY WATER CREDITS MATTER

THE 4 DRIVERS ACCELERATING THE RAPID GROWTH OF THE WATER CREDIT MARKET

In recent years, responsible water resource management has gained increasing prominence on the international agenda. The intensification of extreme climate events, rising water stress, and the growing dependence of economic activities on water availability are driving businesses, governments, and institutions to seek new instruments capable of strengthening the resilience of territories and value chains. In this context, Water Credits are increasingly emerging as one of the mechanisms capable of channeling investments towards projects that generate measurable and verifiable water benefits. This evolution is supported by the convergence of four key drivers.

1ST DRIVER - SUSTAINABILITY REGULATION

Water Credits are increasingly finding a place within regulatory frameworks and public policies dedicated to water resource management.

A significant development is represented by the State of Ceará, Brazil, which in March 2026 established by law the Water Credit System ([Sistema de Créditos Hídricos](#) - SCH-CE) and the corresponding Water Credit Market ([Mercado de Créditos Hídricos](#) - MCH-CE), governing the generation, verification, certification, trading, and retirement of water credits. A first legislative proposal has also been introduced in Italy.

At the same time, the European Union has strengthened the centrality of water within its political agenda.

The [European Water Resilience Strategy](#), published by the European Commission in June 2025, recognizes water as a critical factor for the economy, food and energy security, and European competitiveness, highlighting how extreme climate events are already generating significant economic losses for businesses and territories. This has reinforced the political priority assigned to water resilience and efficiency, promoting the Water Efficiency First principle and greater mobilisation of public and private investments.

These developments demonstrate a growing institutional focus on instruments capable of linking water-related interventions to measurable and verifiable outcomes, creating a favourable environment for the future expansion of value-creation mechanisms such as Water Credits.

2ND DRIVER - SUSTAINABLE FINANCE

The growing exposure of economic activities to water scarcity is leading banks, investors, and financial institutions to integrate water-related risks into their assessment processes. According to the [European Central Bank](#), of the approximately €4.4 trillion in bank loans analysed, 19% are exposed to surface water scarcity, a figure that rises to 22% when groundwater resources are also taken into account.

At the same time, financial institutions are assuming an increasingly important role in mobilising resources for water resilience.

The [European Investment Bank's Water Resilience Programme](#) aims to mobilise €40 billion in investments in the water sector between 2025 and 2027, while initiatives such as [CDP's Financial Sector Water Knowledge Hub](#) support financial institutions in integrating water-related risks and opportunities into decision-making processes.

In this context, the ability to link invested capital to quantifiable, monitorable, and verifiable water outcomes is becoming increasingly important. Instruments such as Water Credits can therefore serve as mechanisms capable of directing resources towards interventions that generate measurable water benefits at the local level, helping to strengthen the transparency and accountability of water resilience investments.





WHY WATER CREDITS MATTER

THE 4 DRIVERS ACCELERATING THE RAPID GROWTH OF THE WATER CREDIT MARKET

3RD DRIVER- SUSTAINABILITY STANDARDISATION

Water management is entering a new phase characterised by greater transparency and measurability. Reporting frameworks such as [ESRS E3 - Water and Marine Resources](#) and the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) are strengthening corporate focus on understanding dependencies, impacts, and risks related to water resources, requiring increasingly structured and context-specific information tailored to the territories in which organisations operate.

Alongside the growing availability of data comes the need for shared methodologies to measure and verify the results of interventions.

The development of Measurement, Reporting & Verification (MRV) systems, principles, and independent verification mechanisms helps establish common integrity criteria, including additionality, traceability, and the absence of double counting, which are essential for attributing credibility to any water benefit generated.

In this context, Water Credits represent a point of convergence between data and outcomes: they translate water benefits measured according to defined and verifiable methodologies into traceable units and make the contribution of interventions more transparent, creating a common basis for their recognition by businesses, investors, institutions, and all other stakeholders.

4TH DRIVER - SUSTAINABILITY TRANSITION

Water resilience is becoming an increasingly important and strategic priority within institutional, economic, and financial agendas, fostering discussion around new models and instruments capable of translating water resource protection objectives into concrete and measurable actions.

In this context, the [Euro-Mediterranean Water Forum 2026](#) held in Rome (29 September - 2 October 2026) represents a significant signal of the growing convergence among institutions, governments, the financial sector, and businesses around issues related to water security, resilience, investment, and innovation.

One of the most pressing challenges is the adoption of models capable of enabling the large-scale allocation of public and private capital. The central role of Hypercube as an enabling infrastructure, together with the Global Water Credit Standard (GWCS) methodology as an operational framework, sends a strong signal of consolidation and convergence towards a common standard capable of defining an interoperable unit that can connect supranational policies and strategies (e.g. the Euro-Mediterranean area) with the implementation of projects at the hyper-local level.





WHAT ARE WATER CREDITS?

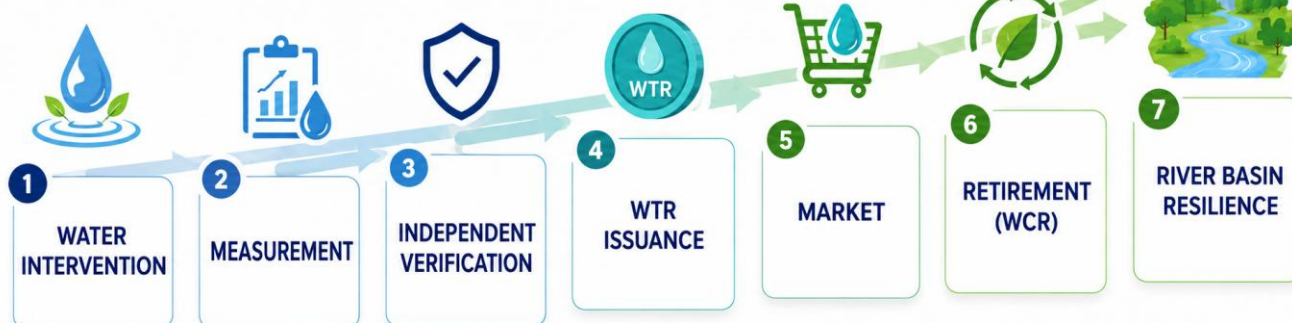
FROM AN INNOVATIVE INSTRUMENT TO AN ECOSYSTEMS SUPPORTING WATER RESILIENCE

In recent years, Water Credits have undergone a significant evolution, becoming a market ecosystem that connects businesses, investors, institutions, and local communities. At the core of this system lies the [Global Water Credit Standard](#) (GWCS), which defines the principles, methodological criteria, and integrity and governance requirements for the issuance of Water Credit Tokens (WTR) and the management and retirement of Water Credits (WCR).

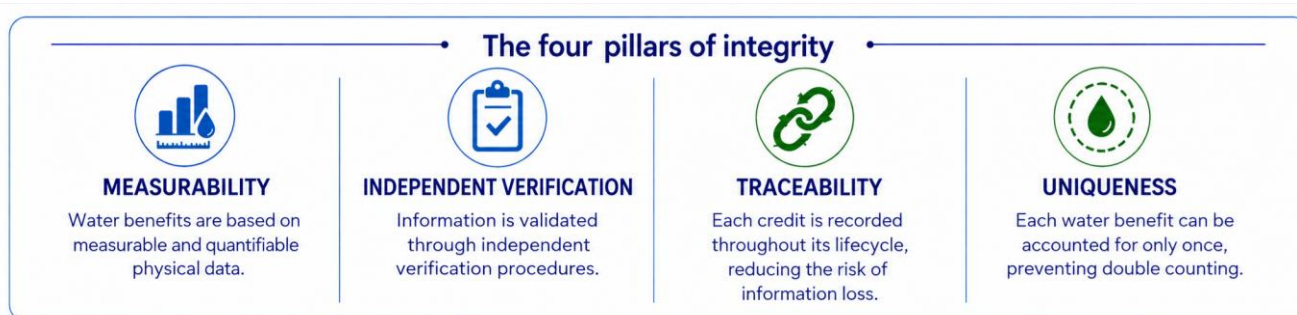
The adoption curve of the GWCS methodology has demonstrated that purely local frameworks, while scientifically robust, inevitably struggle to access market liquidity. By contrast, the GWCS reconciles local impacts with global liquidity through the principles of proximity principle, which prioritises the purchase of WTRs available closest to the basin of impact, and layered additionality, a more sophisticated version of the additionality concept commonly applied in CO2 markets.

This approach not only supports the financing of new infrastructure but also rewards existing infrastructure.

Water Credits therefore become a mechanism that connects projects generating verifiable water benefits with private capital seeking to finance territorial water resilience. A portion of the value generated rewards existing projects based on cubic metres measured directly through flow meters, while another portion can be used to finance new infrastructure, technologies, and nature-based solutions which, despite the possibility of calculating outcomes with high accuracy, would not produce metrics directly comparable to real-time volumetric measurements.



Water Credit represents the link between responsible water resource management and the creation of a market capable of financing new interventions that generate verifiable environmental benefits.



💡 Key takeaway

With the strengthening of the European regulatory framework against greenwashing, the integrity of environmental data is becoming a decisive factor. Measurability, independent verification, traceability, and uniqueness ensure that each Water Credit represents a real, verifiable water benefit that is not subject to double counting, supporting the transition from *labelling* claims to *contribution* claims.





WHAT ARE WATER CREDITS?

WHAT DISTINGUISHES WATER CREDITS FROM OTHER ENVIRONMENTAL CREDITS

Although both belong to the family of voluntary environmental markets, **Water Credits (WCR)** and **Carbon Credits** respond to distinct environmental challenges and present substantial differences in terms of objectives, measurement methodologies, and scale of environmental benefit. The Hypercube system also promotes a shift from a traditional "Cap & Trade" approach, based on the penalisation of emissions, towards an industry-friendly "Reward & Develop" model.

	WATER CREDIT	CARBON CREDIT
Unit of measurement	1 cubic meter of water recovered and reused	1 tonne of CO ₂ avoided or removed
Objective	Preserve water resources, promote water reuse, and strengthen watershed resilience	Reduce or offset greenhouse gas emissions
Quantification	Directs measurement through sensors and monitoring systems	Application of emission factors that rely on estimates and calculations
Environmental Benefit	Local benefit to the watershed	Global climate impact
Relevant SdGs	  	  

THE MITIGATION HIERARCHY AND THE ROLE OF THE «HARD TO ABATE» IMPACTS

Water Credits are not intended as a tool to replace efficiency measures or the direct reduction of water consumption. Instead, the system is based on the Mitigation Hierarchy, according to which companies should prioritise:

- Reducing consumption;
- Improving efficiency;
- Implementing reuse and circularity processes;
- Resorting to Water Credits only to address the residual share of impacts.

Water Credits therefore apply only to hard-to-abate impacts, namely water consumption for which there are currently no technically sustainable or economically viable alternatives capable of enabling a significant reduction.

In this way, the system maintains a responsible and coherent mitigation approach aligned with the principles of water stewardship and environmental accountability.





HOW DO WATER CREDITS WORK?

FROM GENERATION TO ACQUISITION: A PRACTICAL EXAMPLE FROM THE EURO-MEDITERRANEAN FORUM

Water Credits are part of an ecosystem that connects those who **generate measurable and verifiable water benefits (Originators)** with those who **purchase and retire the credits associated with those benefits (Buyers)**.

Hypercube enables the operation of the system through the measurement and traceability of the benefits generated, the management of Water Credit Tokens (WTRs), and the matching of supply and demand. The mechanism also **enables completed interventions to generate economic value while supporting the financing of new water projects**, creating a continuous cycle of benefits for water resources.



From the Tiber basin to international cooperation: the Water Credit journey of the Forum

On the occasion of the Euro-Mediterranean Water Forum 2026, approximately [3,000 Water Credits](#) were retired to represent a tangible contribution to the protection of water resources associated with participants in the event. Each credit corresponds to one cubic metre of water that has been treated, reused, and verified within the Tiber River Basin, in accordance with the geographical proximity principle established by the Global Water Credit Standard (GWCS).

The credits originated from water recovery, treatment, and reuse projects implemented by **Aeroporti di Roma (ADR)**, one of the first major Italian infrastructure operators to embark on a pathway aimed at recognising and enhancing the positive impacts generated on water resources. Through the Hypercube platform, these benefits are measured, verified, and transformed into Water Credits through blockchain technology.

The initiative provides a practical example of the entire Water Credit value chain: from the generation of impact by the Originator, to the certification and tokenisation of the environmental benefit, through to its acquisition and retirement by an end user. In the case of the Forum, the transaction also included a social additionality component, allocating a share of the value generated to support WASH (Water, Sanitation and Hygiene) programmes promoted by Oxfam Italia.

One participant, one Water Credit: an initiative that transforms the concept of water responsibility from an abstract principle into a measurable, verifiable, and traceable contribution, paving the way for new applications of Water Credits in international events, strategic infrastructure projects, and water security programmes.

KEY FIGURES

WTR Originator: Aeroporti di Roma (ADR)

Buyer: Euro-Mediterranean Water Forum 2026

Water Credits Retired: 3,000 WTR

Water Equivalent: 3,000 m³ of treated and reused water

Basin: Tiber River Basin

Social Benefit: contribution to Oxfam Italia WASH programmes

Traceability Technology: Hypercube blockchain / DMRV system





HOW DO WATER CREDITS WORK?

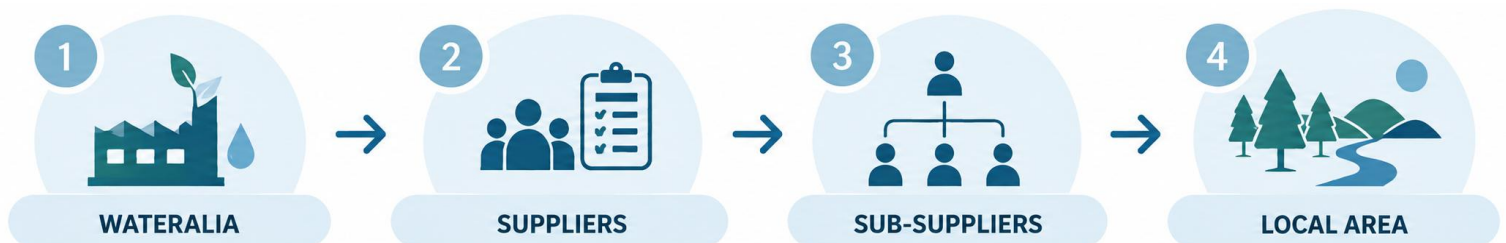
WATER CREDITS ACROSS THE VALUE CHAIN: THE WATERALIA MODEL

Responsible water management can extend beyond the boundaries of a single company and become a **lever for engaging the entire supply chain**. This is the path pursued by [Wateralia through a ten-years strategic partnership with Hypercube](#), established to integrate water footprint measurement, reduction initiatives, and Water Credits into an industrial model progressively extended across the supply chain. In 2025, the Wateralia Group launched its water stewardship journey as a strategic priority, going beyond the management and reduction of water consumption and reduction of water footprint impacts to incorporate water performance assessment, targeted efficiency measures, and the compensation of its residual water footprint.

During the year, the Group acquired Water Credits (WTR) equivalent to more than twice its total water consumption, generated entirely by water reuse projects located in Italy.

At the same time, Wateralia began extending this approach throughout its supply chain, encouraging suppliers to adopt more efficient and responsible water resource management practices, reduce consumption and associated impacts, and embrace the use of Water Credits. The programme involved an initial group of international suppliers, who were invited to join the initiative through a procurement policy requiring the purchase of a minimum annual allocation of Water Credits.

This is where Water Credits take on an additional role. Water performance becomes embedded **within the relationship between client and supplier**. Water Credits are no longer merely a tool used by a lead company, but become a mechanism through which the entire supply chain can be progressively engaged and aligned towards common objectives.





WHERE DO WATER CREDITS APPLY?

KEY SIGNALS EMERGING FROM THE EURO-MEDITERRANEAN WATER FORUM 2026

Water security is assuming an increasingly central role within international political, economic, and financial agendas, to the extent that discussions are now extending to the concept of “water diplomacy.” In a context characterised by growing water stress, climate change, and the need to mobilise new investments for territorial resilience, the Euro-Mediterranean Water Forum 2026 provided an important platform for dialogue among institutions, businesses, financial actors, and the scientific community. One of the most significant developments is the shift from a predominantly environmental perspective on water towards a broader water security approach, linking water management to economic stability, energy, agriculture, migration, and territorial resilience. The Forum promoted an integrated approach involving countries across the European Union, the Mediterranean region, the Balkans, the Middle East, and Sub-Saharan Africa.

Among the most relevant developments emerging from the discussions, particular attention was given to the potential role of Water Credits as a tool to activate new financing mechanisms for water resilience in the Mediterranean area, connecting different scales of action, from regional strategies to local implementation.

“Water Credits - A Dialogue Among Front-Runners”

Panel held on 29 September 2026 - With the participation of Pietro Gorgazzini (CEO of Hypercube), Davide Mancini (CFO of Waterialia), Massimo Catizone (Global Head of ESG Advisory at UniCredit), Giuseppe Magro (President of IAIA Italia), and Roberto Barbieri (Director of Oxfam Italia).

UniCredit Among the Leading Financial Institutions Exploring Water Credits

The water challenge is also a financial challenge. Faced with growing investment needs in resilience infrastructure, private capital continues to play a limited role. One of the key issues emerging from the discussions is the disconnect between the value and the price of water: an essential resource whose strategic importance is still not adequately reflected in traditional economic mechanisms. This is where Water Credits can assume a new role, making measurable water outcomes recognisable and economically valuable, while creating a potential link between local projects and the availability of capital at a much broader scale.

A concrete signal in this direction comes from the mandate awarded by Hypercube to UniCredit, acting as advisor for the launch of a [European Water Credit sandbox](#), aimed at assessing and structuring potential financial products capable of linking Water Credits with capital markets.

This direction is further reinforced by the growing interest, clearly observed during the Forum, among institutional investors in allocating capital to investment-grade instruments connected to Water Credits as a channel for providing liquidity to the ecosystem.

Water Impact Measurement Becomes Territorial and Content-Specific

A further area of reflection concerns the gradual move beyond approaches based on universal indicators. Increasingly, the view is emerging that the value of a water-related intervention cannot be assessed independently of the context in which it is implemented.

Recovering one cubic metre of water in a basin characterised by high levels of water stress generates a different benefit compared with an area where water resources are more readily available. This evolution is driving measurement models that are increasingly linked to territorial conditions, the characteristics of specific river basins, and the needs of local communities.

From this perspective, Water Credits could contribute to advancing an approach based on territorial materiality, fostering metrics that are better able to reflect the actual value of the impacts generated.





WHERE DO WATER CREDITS APPLY?

KEY SIGNALS EMERGING FROM THE EURO-MEDITERRANEAN WATER FORUM 2026

Water Emerges as a Social, Geopolitical, and Sovereignty Issue

The water crisis is no longer described solely as an environmental emergency, but increasingly as a phenomenon that intersects with human rights, inequality, food security, migration, conflict, and economic stability. Within this perspective, water becomes a component of national security and territorial sovereignty. One particularly relevant theme that emerged during the discussions concerns the risk that the most vulnerable countries may become excessively dependent on external capital to finance strategic infrastructure.

*Water Credits are therefore also being interpreted as a potentially useful instrument for **mobilising new resources** while preserving the decision-making autonomy of local communities. This geopolitical interpretation of water is gaining increasing relevance at the international level and could become one of the defining themes of the coming decade.*

From Compensation to Contribution: A New Perspective

One of the most transformative signals emerging from the Forum concerns a shift in language and mindset. It was emphasised that Water Credits should not be viewed merely as compensation instruments, but rather as mechanisms for contribution.

Compensation implies neutralising a negative impact; contribution implies actively participating in the generation of a measurable collective benefit.

From this perspective, organisations acquire Water Credits not primarily to offset their water footprint, but to support the resilience of the watersheds, communities, and ecosystems upon which their activities depend.

*This **paradigm shift** could represent one of the most significant cultural evolutions in sustainable finance in the coming years, moving beyond the logic of simple neutralisation and towards a model focused on the regeneration of natural systems.*

Blue Finance and Blue Investments for Water - Water Moves to the Core of Financial Strategies

Panel held on 30 September 2026, which opened with remarks by Giovanni Gorno Tempini (President of Cassa Depositi e Prestiti), and the participation of Abdulla Ali AlSubousi (Ambassador of the United Arab Emirates), Gelsomina Vigliotti (Vice-President of the European Investment Bank), Saroj Kumar Jha (Director of the Global Water Practice at the World Bank), Amgad El Mahdi (Regional Head for the MENA region at the Green Climate Fund), Emilio Ciarlo (Director General of One Water) and Pietro Gorgazzini (Co-Founder and CEO of Hypercube).

The key issues discussed included:

- mobilisation of public and private capital;
- insurance instruments to address water-related risks;
- tariffs and incentive mechanisms;
- climate finance;
- engagement of development banks and institutional investors.

This represents one of the most significant signals for innovative platforms focused on the economic valuation of water and of the positive impacts generated within river basins. Water security is increasingly recognised as an essential condition for economic growth, industrial competitiveness, and territorial stability.

As a result, water is assuming a strategic role in investment decisions. The availability of water resources directly affects production systems, food security, supply chain continuity, and the capacity to withstand climate-related shocks.

Within this context, Blue Finance is also expanding its scope. Financing for water infrastructure is being increasingly assessed against **the long-term outcomes it generates**, including water savings and reuse, improved water quality, ecosystem protection, and the reduction of community vulnerability. For Water Credits, this creates a significant opportunity: helping to make these benefits measurable, verifiable, and economically recognisable, while establishing a connection between local impact and financial resources.





WHERE DO WATER CREDITS APPLY?

JURISDICTIONAL DEVELOPMENTS

In recent months, the Water Credit market has experienced significant regulatory developments. Several countries are introducing dedicated legislative instruments, while a growing number of initiatives led by businesses and organisations are seeking to enhance the value of water resources through market-based mechanisms.

BRAZIL - First Operational Implementation of a Regulated Water Credit Market

The State of Ceará represents one of the most advanced Water Credit initiatives currently being developed worldwide. It is the first jurisdiction to establish a regulated market for water credits.

With the approval of State Law No. 19,693 of 24 March 2026 by the Legislative Assembly of Ceará (ALECE), the State created the legal framework required to transform water savings and water resource generation into tradable environmental and financial assets.

The model recognises water volumes generated through water reuse, desalination, and rainwater harvesting projects as eligible credits. These credits are recorded through blockchain-based infrastructures and are designed to attract private capital in support of regional water security and resilience.

Through a public selection process, the State of Ceará appointed Hypercube as an accredited operator, adopting both its technological infrastructure and the Global Water Credit Standard (GWCS) methodology..

ITALY - First Water Credit Legislative Proposal Presented to the Senate

The Water Credit concept has also gained recognition within the Italian legislative agenda with the presentation, on 22 September 2026, of the country's first legislative proposal dedicated to water credits.

The bill, introduced by Senator Silvestroni and entitled "[Provisions for the Promotion of Water Resilience and the Establishment of the National Water Credit System](#)", proposes linking the valorisation of verified water benefits to the financing of projects benefiting local territories and river basins.

The proposal is built around three core pillars: a **National Water Credit System**, a **National Registry**, and a **National Water Resilience Fund**, with accreditation and supervisory functions entrusted to the GSE (Gestore dei Servizi Energetici). Under the proposed framework, each credit would represent one cubic metre of water not withdrawn from primary water sources thanks to the additional use of non-conventional water sources, including wastewater reuse, rainwater harvesting, and desalination. Independent verification, digital traceability, and permanent retirement upon use are among the safeguards introduced to prevent double counting.

A particularly significant aspect concerns the National Water Resilience Fund, which would be financed through **30% of the value of each transaction**, with **at least 40% of the resources disbursed during each five-year period** allocated to projects in territories and river basins experiencing medium or high water stress. Alongside voluntary participation, the framework would also allow for incentive-based mechanisms and mandatory compensation schemes for specific sectors, to be identified through implementing regulations.

The proposal outlines a potential virtuous link between measurable water benefits, financial resources, and territorial resilience. Within the proposed model, the credit is conceived as an environmental unit rather than a financial instrument or investment product, a distinction that may prove significant in shaping the future evolution of Water Credit markets.



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