



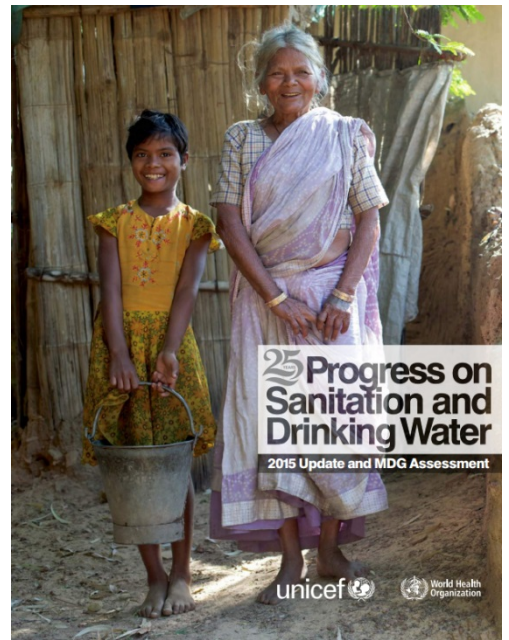
The CEO Water Mandate



# **SERVING THE PUBLIC INTEREST: CORPORATE WATER STEWARDSHIP AND SUSTAINABLE DEVELOPMENT**

## Water and the Sustainable Development Agenda

In 2000, when the UN agreed to the eight global goals known as the Millennium Development Goals (MDGs), the relationship between environmental issues and sustainable development was not prominently featured. Today, a wider group of stakeholders understands the vital role that water and sanitation play in the economy, society, and the environment. The process of defining the goals that constitute the 2030 Agenda for Sustainable Development was more inclusive, and the resulting goals are relevant to development concerns facing all nations, including the developed world. The adoption of the 2030 Sustainable Development Goals (SDGs) (Figure 1), which define the global development priorities for the next 15 years, lays out a compelling framework for collective action by government, the private sector, and civil society to address social and environmental issues that inhibit economic development and shared prosperity. Of the seventeen new goals, SDG 6 is dedicated exclusively to *ensuring availability and sustainable management of water and sanitation for all*. Table 1 outlines the targets underpinning SDG6 and highlights the holistic approach the SDGs take this time around, focusing not only on issues of access to safe drinking and sanitation, but also those of water scarcity, quality, water management, and ecosystems.



The WHO/UNICEF Joint Monitoring Program (JMP) for Water Supply and Sanitation reports progress online at [www.wssinfo.org](http://www.wssinfo.org).

Over the past decade, an increasing number of companies recognize that water poses a significant risk to their business and have begun to take action to mitigate their risks via improved water management practices and stewardship. **We propose a new recognition that companies seeking to manage water-related business risks can and should contribute to improved water and sanitation management and governance that is also in the public interest.**

Figure 1: Global Sustainable Development Goals



**Table 1: UN Sustainable Development Goal 6 (SDG6)**

<b>Ensure availability and sustainable management of water and sanitation for all.<sup>1</sup></b>	
6.1 Universal and equitable access to <b>drinking water</b>	6.5 <b>Integrated water resources management (IWRM)</b>
6.2 Adequate and equitable <b>sanitation and hygiene</b>	6.6 Protected and restored water-related <b>ecosystems</b>
6.3 <b>Water quality</b> and pollution prevention	6.a <b>International cooperation</b> and capacity-building
6.4 Water use efficiency and <b>sustainable withdrawals</b>	6.b Strengthened <b>community participation</b>

**Corporate Water Stewardship + SDG6 Targets, Means of Implementation, and Indicators**

SDG6 for water and sanitation is emerging as a promising framework for action, and for measuring progress toward addressing the global water challenges that create water-related business risk. The management of water resources, development of water supplies and services, and management of wastewater and pollution are all inherently linked to economic development. This is a rare and critical opportunity to take an integrated approach to corporate water stewardship and access to water, sanitation, and hygiene (WASH), and align businesses’ water management practices with SDG6 subsidiary targets, means of implementation, and supporting indicators.

Companies whose water stewardship practice is aligned with SDG6 targets can improve the effectiveness of their water programs, the quality of data and reporting, and the confidence and trust among their stakeholders. Governments and communities who collaborate with companies to achieve water stewardship commitments related to SDG6 targets can benefit from corporate investment, innovation, capacity building, awareness raising, and collective action.

**Table 2: SDG6 Means of Implementation and Elements of Corporate Water Stewardship**

		<b>SDG6 Means of Implementation</b>						<b>Data, Monitoring, and Accountability</b>
		<b>Finance</b>	<b>Technology</b>	<b>Capacity Building</b>	<b>Trade</b>	<b>Policy &amp; Institutional Coherence</b>	<b>Multi-stakeholder Partnerships</b>	
<b>Elements of Corporate Water Stewardship</b>	<b>Understanding basin, context and impacts</b>							Risk assessment, local context and impacts
	<b>Developing a water strategy</b>			Sustainability strategy, internal awareness				Product claims, sustainability stories
	<b>Addressing operational issues</b>	Capital expenditures, sustainability research & development	Manufacturing, process and product improvements	Technical Training			Conventional Public-Private Partnerships	Financial statements
	<b>Leverage improvements in the value chain</b>	Venture Financing	Accelerating innovation	Guidance and standards, access to water, sanitation, and hygiene in the workplace	Engagement In emerging markets		Empower suppliers and local stakeholders	Sourcing Data
	<b>Water stewardship via collective action</b>	Social enterprise, co-financing, water funds, philanthropy		Community engagement			Multi-stakeholder collective action	Community-level data collection, data sharing platforms
	<b>Water stewardship via policy engagement</b>			Contribution to water governance	Cross-functional support for sustainable trade policy	Align and support IWRM; respect and support the human right to water and sanitation	International and national alliances on water policy	
	<b>Communicating with external stakeholders</b>	Valuing ecosystem services, natural and social capital	Open-source technology for sustainability				Transparency, integrity in water-related collective action	Sustainability targets, monitoring and disclosure

<sup>1</sup> 2030 SDGs, full text: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

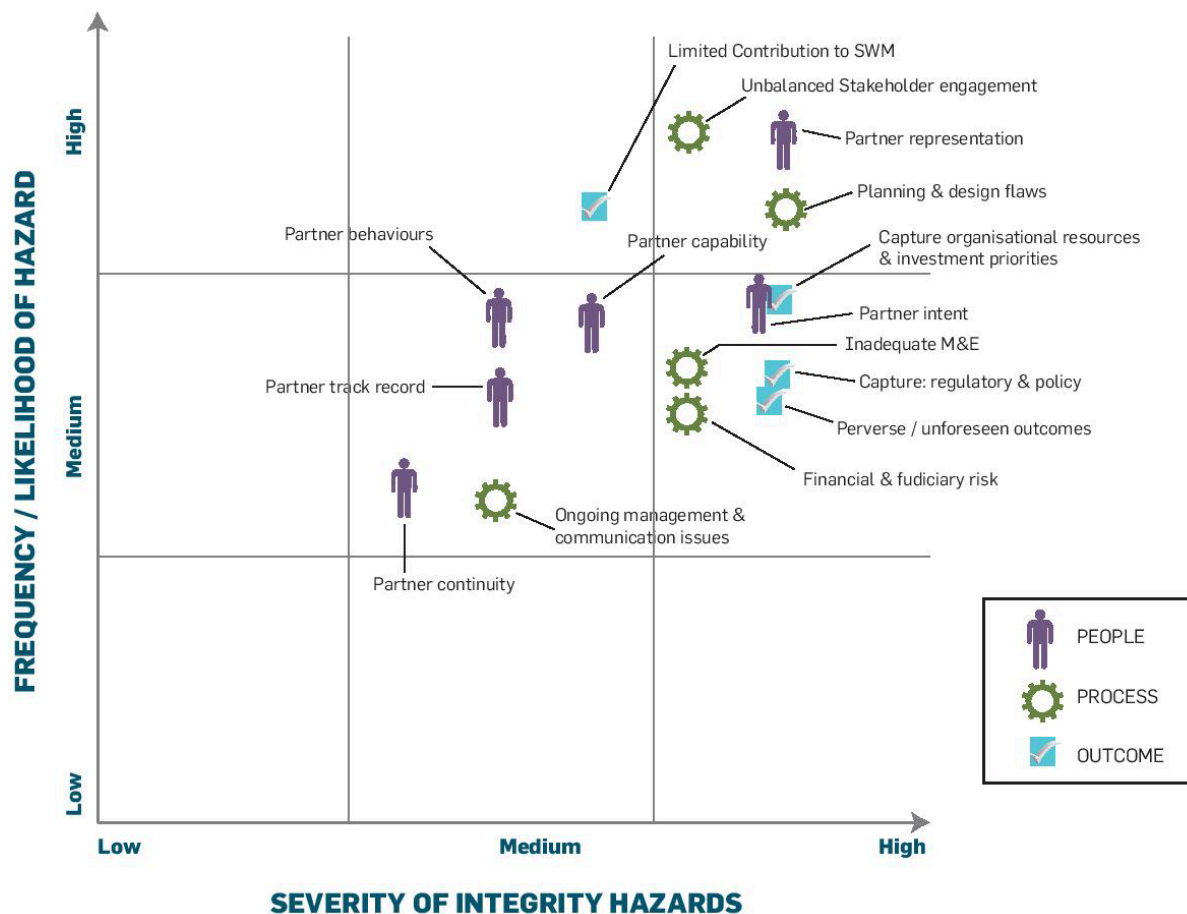


**Today, companies engaged in corporate water stewardship are already directly contributing to the targets, and are active in many areas that affect the means of implementation for SDG6.** Table 2 provides examples of activities and methods for advancing more sustainable business practices on water, categorized by different means of implementation.<sup>2</sup> Incentives and funding that enhance, support, or facilitate corporate water stewardship initiatives like these can unlock the considerable capacity and expertise of the private sector to contribute to achievement of SDG6, including but not limited to financing and technology.

How progress toward achievement of the SDGs is monitored presents further opportunities for cross-sector cooperation on water stewardship. For the private sector, monitoring the impact of corporate sustainability programs—especially collective action initiatives—can be challenging and expensive. While demonstrating water efficiency improvements at a single facility can be relatively easy, determining how efficiency gains alleviate water stress and contribute to improved sustainability in a watershed is far more difficult and subjective. Further, measuring and reporting the impact of a collective action initiative that affects more than one aspect of water sustainability is substantially more challenging. A lack of harmonization in corporate sustainability reporting and disclosure can obscure the tangible impacts of even well-executed water stewardship initiatives. Aligning both public and private sector water stewardship metrics and disclosure to SDG6 targets will not only demonstrate the real world watershed impacts of collective action projects, but also the contribution of a company or an industry to a regional or national water management goal, ultimately showing progress toward global sustainability.

While governments and donors must embrace these opportunities to work together, they must remain aware of potential challenges and pitfalls in order to to gain and retain long-term corporate and public support.

**Figure 2: Potential Integrity Risks Facing Corporate Initiatives**



<sup>2</sup> For more information about the means of implementation, please see: <https://sustainabledevelopment.un.org/topics> (Goal 17).

## Reconciling Public & Private Interests, Risks, and Opportunities

Water and sanitation are typically public sector responsibilities. Governments manage, protect, and regulate water sources, set the rules by which water is governed, and have a responsibility to ensure the delivery of equitable and affordable WASH services. The corporate sector has traditionally engaged with government primarily to ensure continued allocations for production of goods and services. Mistrust of business runs high in public opinion and in many government departments. The common perception is that companies oppose environmental and social objectives, instead pursuing short-term benefits, opaque deals, or special treatment. This paradigm is shifting: when water risk is understood in relation to GDP and trade, foreign direct investment, financial flows, sunk capital, and stranded assets, strong business cases emerge in favor of protecting and managing water resources for multiple uses and involving more diverse actors.

As the public, private, and independent sectors work together to promote more sustainable water management and achieve SDG6, there are potential pitfalls. Figure 2 shows a spectrum of risks related to corporate initiatives, which demand vigilance from all involved parties.<sup>3</sup>

### Case Study: Working towards better water management in the Western Cape, South Africa

When UK retailer Marks and Spencer (M&S) adopted a water stewardship approach to address water risk in their supply chains, the Western Cape was identified as a key risk area. M&S joined forces with South Africa retailer Woolworths, WWF, Alliance for Water Stewardship (AWS), and a progressive group of stone fruit farmers to address the challenges together. This catalyzed collective action in the region, and an expanded multi-stakeholder group is now taking action across a number of areas which will directly contribute to the SDG targets.

After working with farmers to assess and improve water management practices on farms, partners broadened engagement with more local stakeholders, including representatives from the Catchment Management Authority, to map water risks in the region. Now, the partnership – with engagement from GIZ – is working to address these risks by ensuring that invasive plants are cleared, addressing local municipal sanitation issues, and creating channels to share knowledge and information on better water management.



Photo: WWF International

<sup>3</sup> Figure 2 from CEO Water Mandate and Water Integrity Network's work on managing integrity in water stewardship initiatives: <http://ceowatermandate.org/integrity/>.

## Next Steps: A Revitalized Relationship between the Public and Private Sectors

Companies seeking to manage water-related business risks can and should contribute to improved water management and governance that is also in the public interest. If done responsibly, integrating private sector action into global policy frameworks and local implementation practices makes it possible for companies to contribute considerable resources and expertise to the achievement of SDG6.

At a local level, multi-stakeholder representation within partnerships, neutral facilitators, and a voice for marginalized local communities and the environment are essential. Transparency and clearly defined governance structures are also important. Guidance exists for business that sets ground rules for responsible engagement on public policy and integrity in local water stewardship collective action.<sup>4</sup> With a new focus on basin governance and integrated water resource management, positive outcomes can be accelerated and sustainable water and sanitation for all can be achieved.

**We call upon companies, governments, donors, and civil society actors to play their parts and take proactive actions to contribute towards the achievement of sustainable development on water and sanitation.** We propose a number of roles and actions to achieve this in Table 4 below.

**Table 4: Proposed Roles and Actions Supporting Achievement of SDG6 for Water and Sanitation**

	Companies	Governments and Donors	Civil Society and Communities
What?	<ul style="list-style-type: none"> <li>Understand how corporate water stewardship goals align with SDG6 targets.</li> <li>Advocate for government and civil society involvement in water stewardship.</li> <li>In high risk areas, engage in collective action by joining or jointly setting up initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate elements of corporate water stewardship with means of implementation.</li> <li>Promote balanced representation and transparency in water management decisions.</li> <li>For donors, increase support and funding for water-related collective action that includes the public and private sectors.</li> </ul>	<ul style="list-style-type: none"> <li>Provide oversight of companies' water management practices and implementation of government legislation.</li> <li>Help to ensure that the public good is being served.</li> </ul>
How?	<ul style="list-style-type: none"> <li>Develop clearer standards and benchmarks for sustainable and equitable water use.</li> <li>Use best practices for integrity and transparency when engaging in public policy and collective action.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure regulations are robust, consistent and enforced so that water is equitably shared and managed.</li> <li>Adopt governance and accountability frameworks to ensure that corporate water stewardship initiatives serve the public interest.</li> </ul>	<ul style="list-style-type: none"> <li>Hold companies and government accountable for improved water management.</li> <li>Utilize relationships and influence to support positive outcomes of partnerships.</li> </ul>
Why?	<ul style="list-style-type: none"> <li>Addresses root causes of water-related risk.</li> <li>Reduces data collection effort and improve sustainability reporting with harmonized global metrics.</li> </ul>	<ul style="list-style-type: none"> <li>Leverages positive private sector actions in the areas of capacity building, data management, and analysis to support implementation and monitoring of SDG6.</li> </ul>	<ul style="list-style-type: none"> <li>Enables constructive private and public sector collaboration and more equitable outcomes in support of SDG6.</li> </ul>



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<sup>4</sup> Please visit <http://ceowatermandate.org/policyengagement/> and <http://www.ceowatermandate.org/integrity>.