Corporate engagement on water
Risks, opportunities and priorities for development studies research
UEA, 16 January 2014
Traditional or statutory water resource management

The control of water abstractions, discharges and land-use change to protect and maintain downstream water uses, values and functions for the ‘public good’ (IWRM).
A simple open systems model of institutional performance for sustainable WRM

Determinants (Inputs)

Institutional Performance

Feedback

Outcomes

Environmental sustainability

Social sustainability

Economic sustainability

Institutional sustainability

Sustainable WRM
World Economic Forum
Global risk landscape 2013
Water supply crises
Calculating Water Footprints

How much water is needed, either used or polluted, to make common consumer goods:

- 1 cup of coffee: 140 L
- 1 kg of tomatoes: 184 L
- 1 liter of milk: 1,000 L
- 1 hamburger: 2,400 L
- 1 kg of cheese: 5,000 L
- Computer: 20,000 L
Global reach of the UK’s agricultural water footprint

Figure 5.4 The UK’s external agricultural WF

Source: Orr and Chapagain, WWF 2008
Corporate water risk

- **Physical Water Risk**
  Water quantity (scarcity / reliability / flooding) and quality (pollution)

- **Reputational Water Risk**
  Company image and the risk it faces from customer/investor perception

- **Regulatory Water Risk**
  Restrictions on water use by government (pricing, licenses, rights, etc.)

Risk Response (+ Opportunity)
cost savings, brand value, accessing markets, innovation & learning, etc.
Shared water risk

Corporate
- Physical
- Reputation
- Regulation

Governments
- Phy/bio-physical
- Social / economic
- Legitimacy/security

Civil Society
- Ecosystems
- People / communities
- Governance

Legitimacy?— water justice and equity

Environmental and social risk
Drivers for corporate engagement on water

- Response to operational crises
- Strategic risks to operations and supply chains
- Development of business models and markets
- Comparative advantage and marketing opportunities
- Business legitimacy – moral imperative infra
Water stewardship

the use of water that is **socially equitable, environmentally sustainable** and **economically beneficial**, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions.

Alliance for Water Stewardship (2012)

...stewardship is IWRM from the water users perspective
The Water Stewardship ‘ladder’

- Water awareness
- Knowledge of Impact
- Internal action
- Stakeholder engagement
- Influence governance

Effort and investment to influence policy and institutional performance

Companies, governments and NGO’s are engaged in multi-stakeholder platforms to address issues

Optimize internal water governance, use while measuring and reporting water quantity and quality

Understanding of the impact they and their suppliers have on river basins, including identification of ‘hot spots’

Understanding of the water challenges and exposure to water related risks

Source: WWF-International
Corporate actors on water stewardship
Corporate engagement – global initiatives
Corporate water engagement - opportunities

• Policy advocacy and convening
• Re-energizing stagnating IWRM processes
• Mobilizing investment in infrastructure and institutional capacity
• Benchmarking and driving good practice
• Greater accountability and transparency
• Innovation
• Communication power
Mobilising political will e.g. Imarisha Naivasha

2% - 3% of GDP
10% of FEE
New investment e.g. Mersey Basin Campaign
Incentivising good practice and accountability e.g. Alliance for Water Stewardship

The AWS International Water Stewardship Standard

BETA VERSION FOR STAKEHOLDER INPUT AND FIELD TESTING
Version 04.03.2013

Draft Date: 04 March 2013

Former members: Ma Jun & Chandry Riaz Khan

© 2013 Alliance for Water Stewardship

Photo © Edward Parker / WWF-Canon
Original publication design by TRUTHstudio: www.truthstudio.com
2002

Demand 226 Mm$^3$/yr
Recharge 252 Mm$^3$/yr

No groundwater deficit

2008

Demand 317 to 496 Mm$^3$/yr
Recharge 252 Mm$^3$/yr
Deficit of 64 to 244 Mm$^3$/yr
Rapid decline in water table

water witness
...because we're all downstream
Asparagus production vs. groundwater levels
Primary pilot sites - Naivasha

- Flamingo flowers
- Vegpro horticulture

Supplementary pilot sites

- Gikanda coffee cooperative
- Mana horticulture/dairy
Benchmarking and promoting good practice: CEO Water Mandate

Principles for responsible water policy engagement

Principle 1: Advance sustainable water management. Responsible corporate engagement in water policy must be motivated by a genuine interest in furthering efficient, equitable, and ecologically sustainable water management.

Principle 2: Respect public and private roles. Responsible corporate engagement in water policy entails ensuring that activities do not infringe upon, but rather support, the government’s mandate and responsibilities to develop and implement water policy. Acting consistently with this principle includes business commitment to work within a well-regulated (and enforced) environment.

Principle 3: Strive for inclusiveness and partnerships. Responsible engagement in water policy promotes inclusiveness and equitable, genuine, and meaningful partnerships across a wide range of interests.

Principle 4: Be pragmatic and consider integrated engagement. Responsible engagement in water policy proceeds in a coherent manner that recognizes the interconnectedness between water and many other policy arenas. It is a proactive approach, rather than responsive to events, and is cognizant of, and sensitive to, the environmental, social, cultural, and political contexts within which it takes place.

Principle 5: Be accountable and transparent. Companies engaged in responsible water policy are fully transparent and accountable for their role in a way that ensures alignment with sustainable water management and promotes trust among stakeholders.
Communications e.g. Unilever/Lifebuoy hand washing campaign
Corporate water engagement - risks

- Burgeoning false claims / ‘blue wash’
- Fragmenting and diversionary effort - perverse outcomes
- Non-aligned effort – inequitable outcomes
- Seeding opportunities for corruption
- Consolidation and privileging of power
- Capture of:
  - Discourse and knowledge
  - Processes, policy and institutions
  - Human resources and regulatory bodies
  - Organisational effort and resources
  - infrastructure and access
  - water, now and in future
2030 Water Resources Group

India - Water availability cost curve

- Cost of additional water availability in 2030
  - $/m$³
- Gap in 2030 = 755,800 million m³
- Cost to close gap = USD 5.3 billion

- Specified deficit in between supply and water requirements 2030
- National river linking project (NRIP)
- Pre-harvest treatment
- Municipal dams
- Deep groundwater
- Ag. rainwater harvesting
- Aquifer recharge small
- Large infrastructure
- Shallow groundwater
- Wastewater reuse

- Incremental availability
  - Billion m³

- Industrial levers
- Rain-fed drainage
- Irrigated drainage
- Rain-fed fertilizer balance
- System of rice intensification (SRI)
- Irrigated fertilizer balance
- Genetic crop development - rain-fed
- Rainfed integrated plant stress mgt.
- No-till farming
- Reduced over-irrigation
- Last mile infrastructure
- Genetic crop development - irrigated

- Increase fertilizer use
- Reduce transport losses
- Sprinkler irrigation
- Artificial recharge
- Slurry infrastructure

- SOURCE: 2030 Water Resources Group

Charting Our Water Future
Economic frameworks to inform decision-making
Which way progress?

‘If we work together in the right ways the sky’s the limit’

‘An unenlightened approach to corporate water engagement will hasten our collective doom’

How to ensure that corporate water stewardship delivers water security for all and not water securitisation for a few?
Corporate engagement: some priorities

1) Accountability monitoring, testing claims and whistleblowing
2) Better research, evaluation and evidence
3) Ensuring equity and representation in engagement processes
4) Testing and refining principles, tools, standards and indicators
5) Exploring roles and responsibilities of ‘brokers’, donors and NGOs
6) Unravelling dilemmas and controversies
7) Marshall academic effort and capabilities to engage and act
8) Counter hegemonic discourse, scrutiny, conceptual development and debate
Other priorities?
Nick Hepworth
nickhepworth@waterwitnes.org
www.waterwitnes.org
www.alliancelforwaterstewardship.org

water witness
...because we're all downstream