

Integrity in Water Stewardship Initiatives

Improving the Impacts and Effectiveness of Corporate Water Stewardship
Initiatives

Stockholm World Water Week
02 September 2014

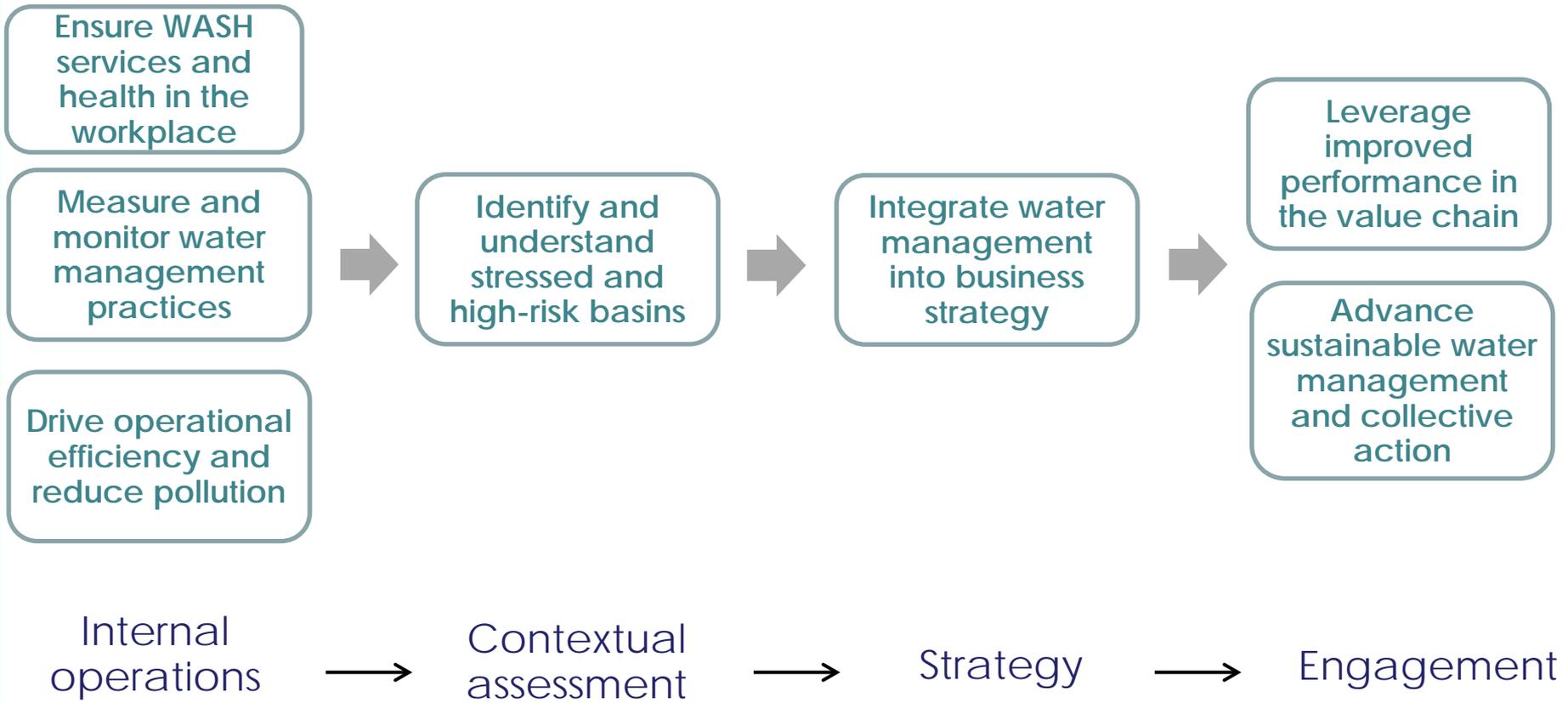
Jason Morrison (CEO Water Mandate) and Janek Hermann-Friede (WIN)



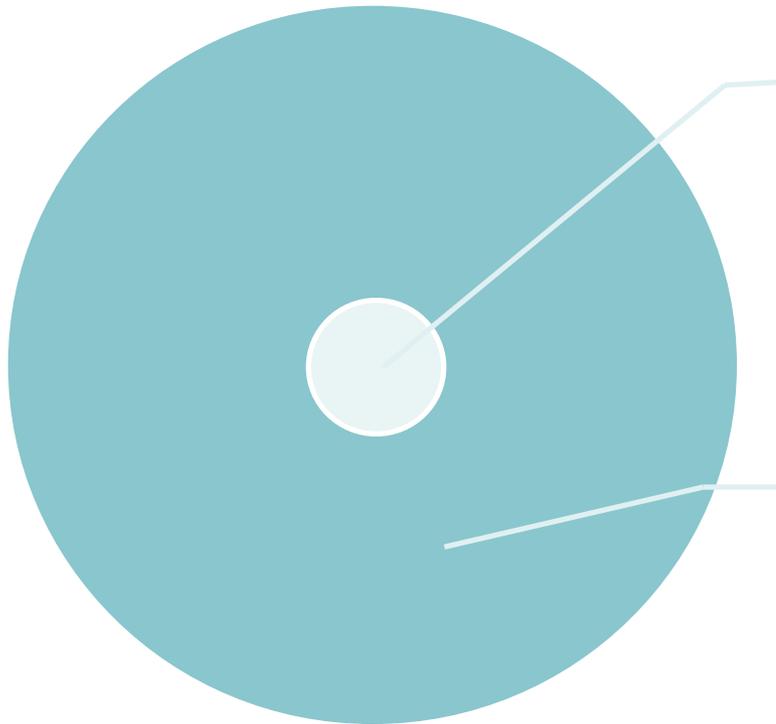
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Corporate Water Stewardship Maturity Progression



The External Engagement Imperative



Company

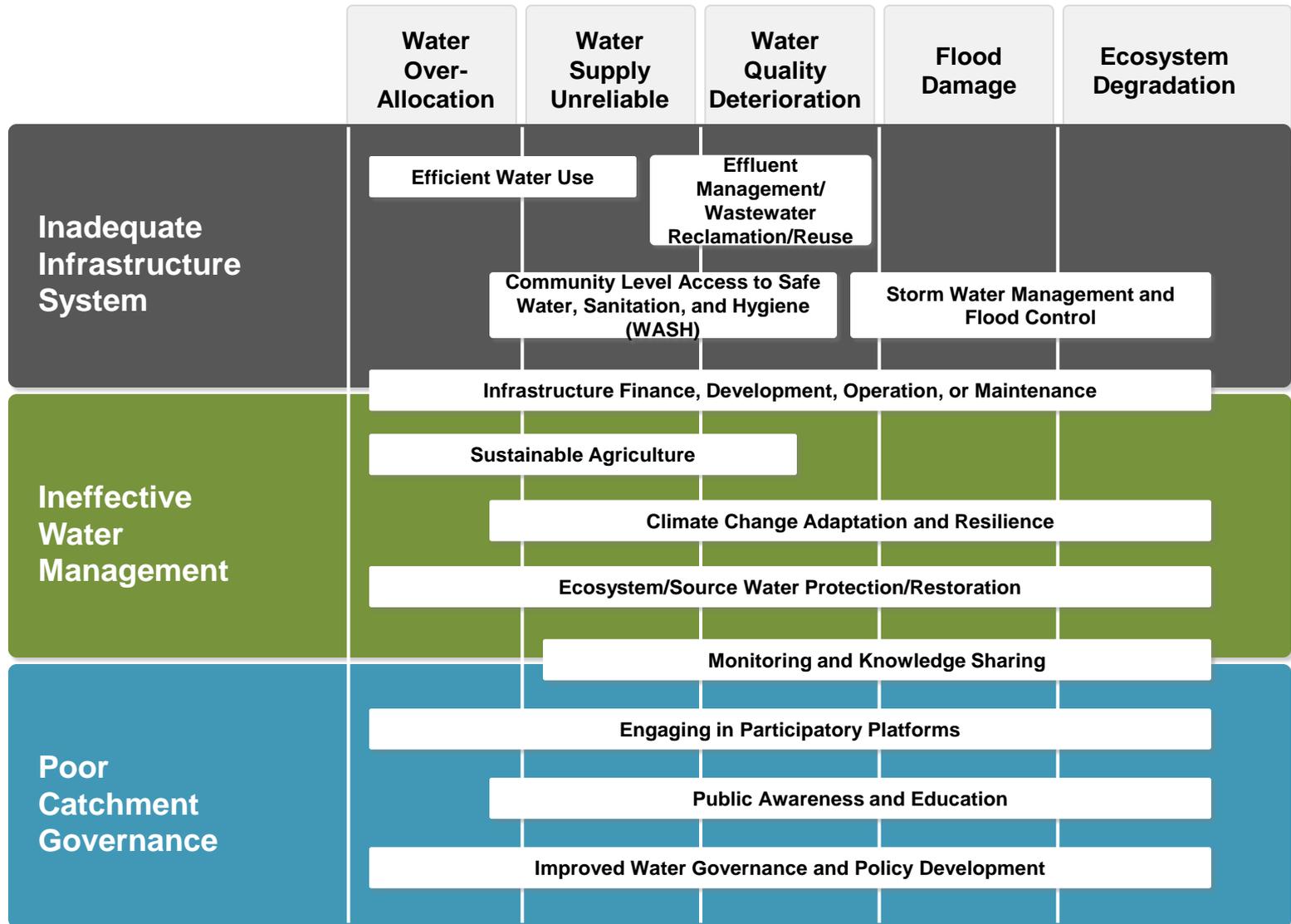
- Water use efficiency
- Wastewater treatment
- Compliance
- Impacts on communities and ecosystems

Basin / Watershed

- Water stress
- Water pollution
- Inadequate infrastructure
- Lack of government capacity
- Climate change
- Lack of community access to safe drinking water

Often, the greatest risks come from conditions over which the company has the least influence

Water Stewardship Collective Action and Underlying Causes



Defining water stewardship initiatives

- Coordinated engagement among interested parties (generally involving businesses) to address specific shared water challenge(s).
- WSIs reflect structured forms of collective action, typically consisting of joint decision making, implementation, and accountability mechanisms.



The growing interest water stewardship collective action

- CEO Water Mandate's Water Action Hub:
 - 283 organizations; 142 projects (in 301 locations)
- Alliance for Water Stewardship international standard downloaded by 286 entities in 55 countries indicating their interest in "either implementation/verification, promotion of the standard or applying the standard in their organizations"



But what if this is what people say about a particular WSI...

“ [Participants] just go where the money comes from. If it’s not personally profitable or politically useful they’re not interested.” (NGO Tz)

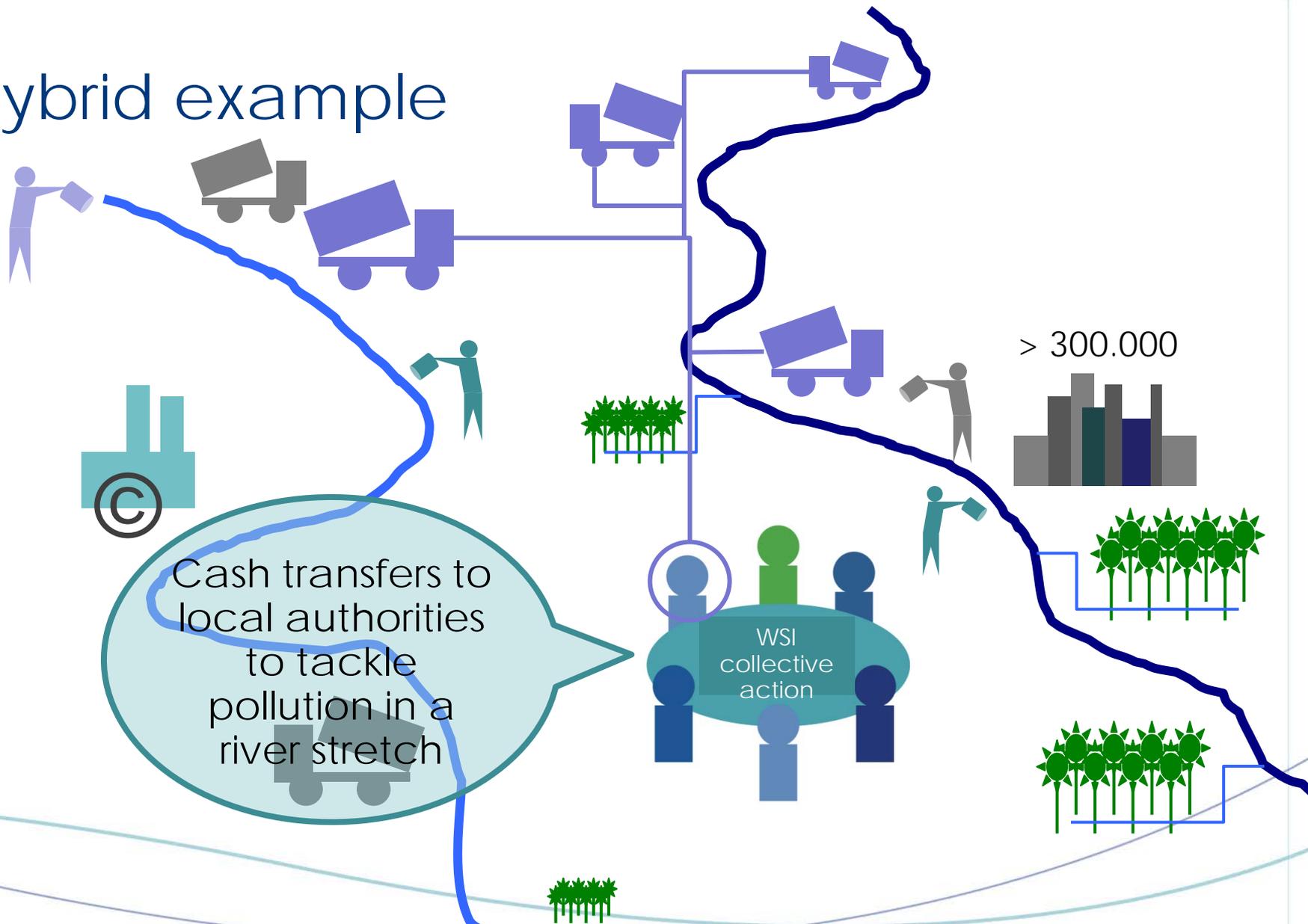
“There is control and gatekeeping and we’ve been side-lined – the way they do things is not fair ” (Business Tz)

“We want to create our own future and make sure they can’t take the water away” (Business RSA)

“I see [government] relinquishing its power and responsibility to the private sector. I think [government] sees this as a capability, not a power capture thing, which is alarming.” (NGO RSA)

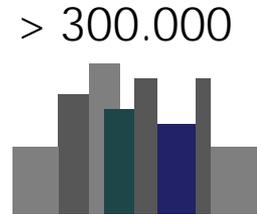


Hybrid example



Cash transfers to local authorities to tackle pollution in a river stretch

WSI collective action



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Integrity issues of the case example

- Cash transfers to a local authority that benefits from the pollution
- Affected communities / Beneficiaries not involved in the process
- Drain on senior government staff (Ministry and EPA)
- No strategic value for the population



What is needed?

WSIs with integrity ideally have:

1. Trustworthy, credible, and accountable participants;
2. Inclusive, transparent, and responsive processes that lead to informed and balanced decision-making;
3. Clear objectives and demonstrable outcomes that advance sustainable water management.



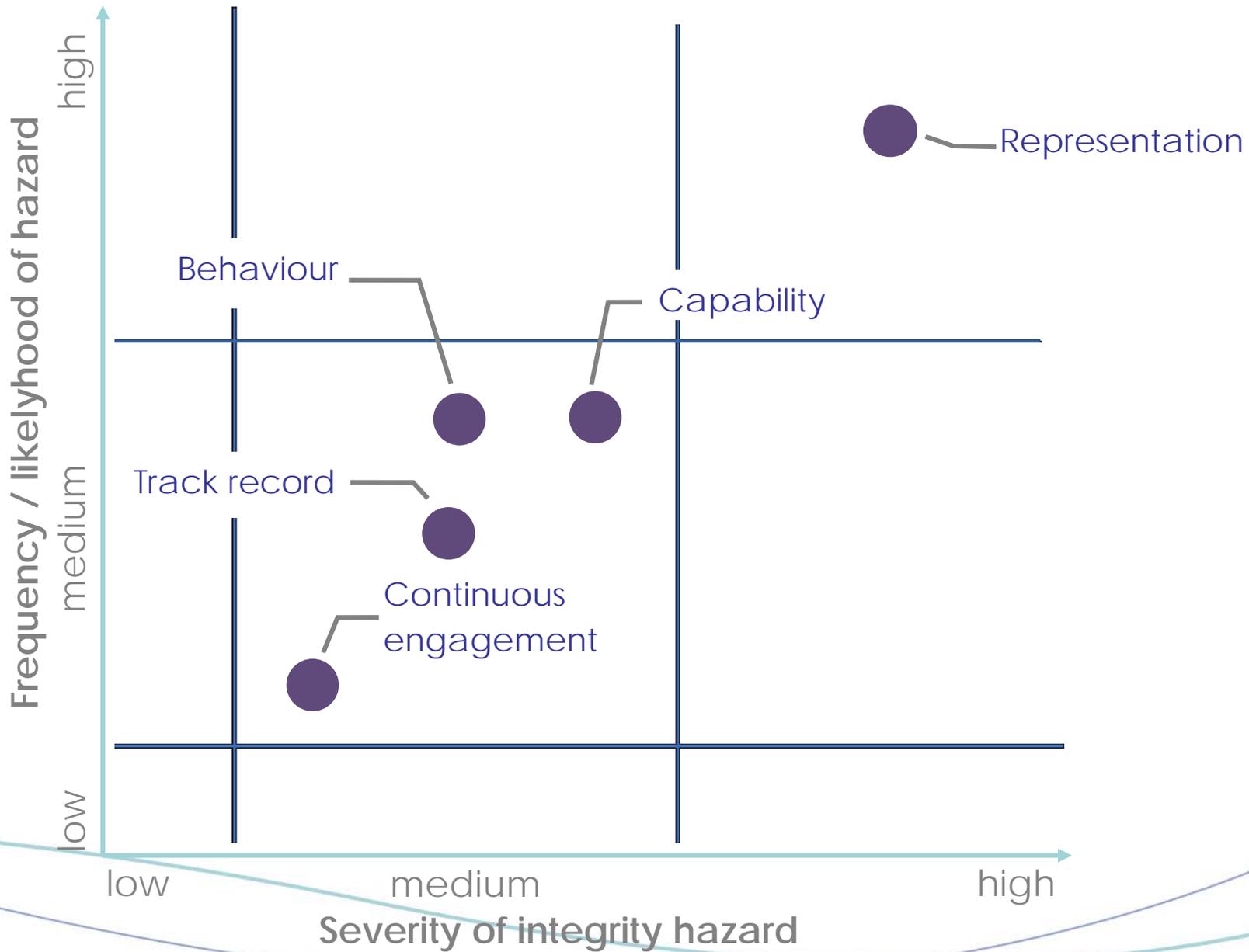
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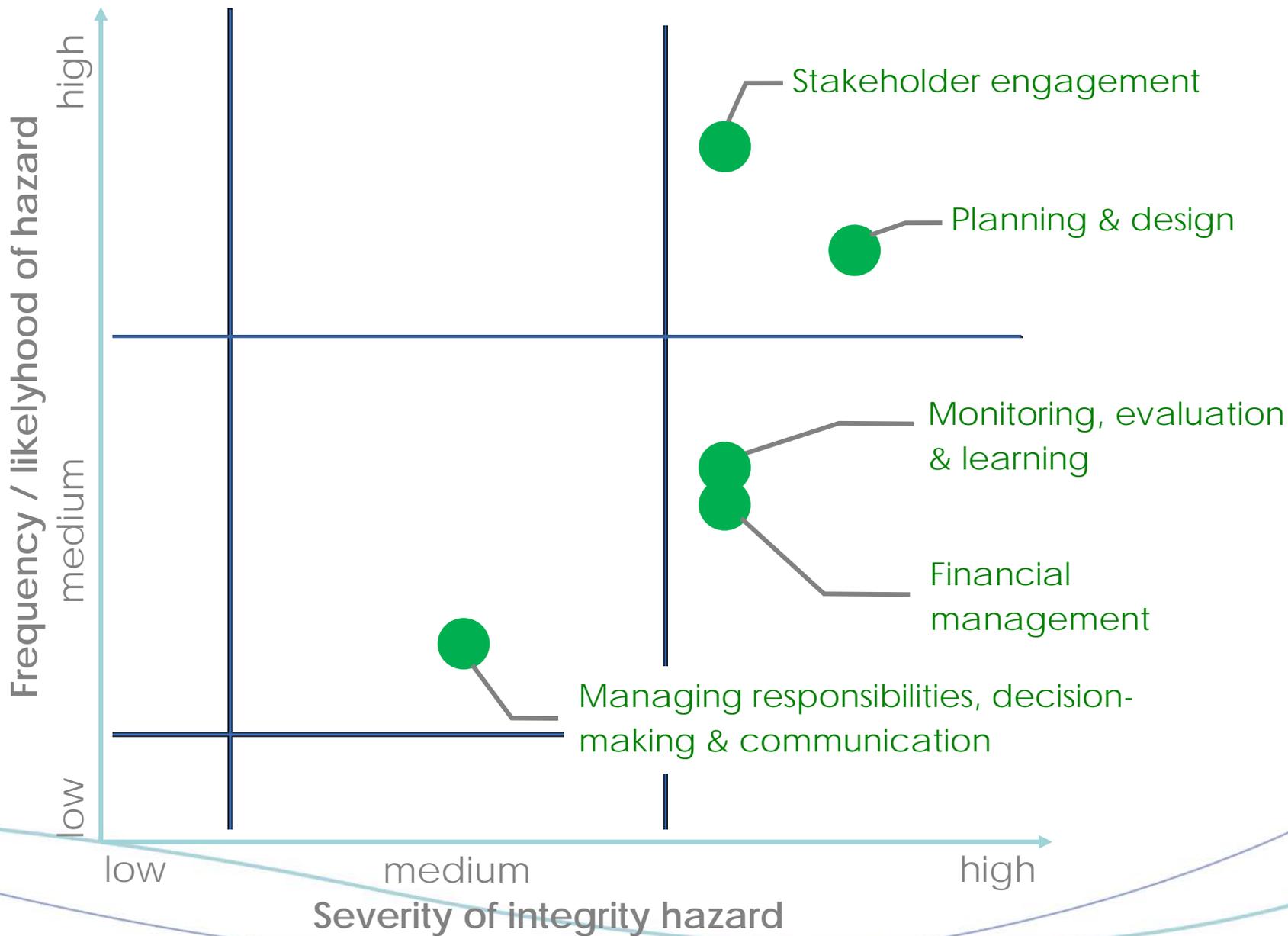


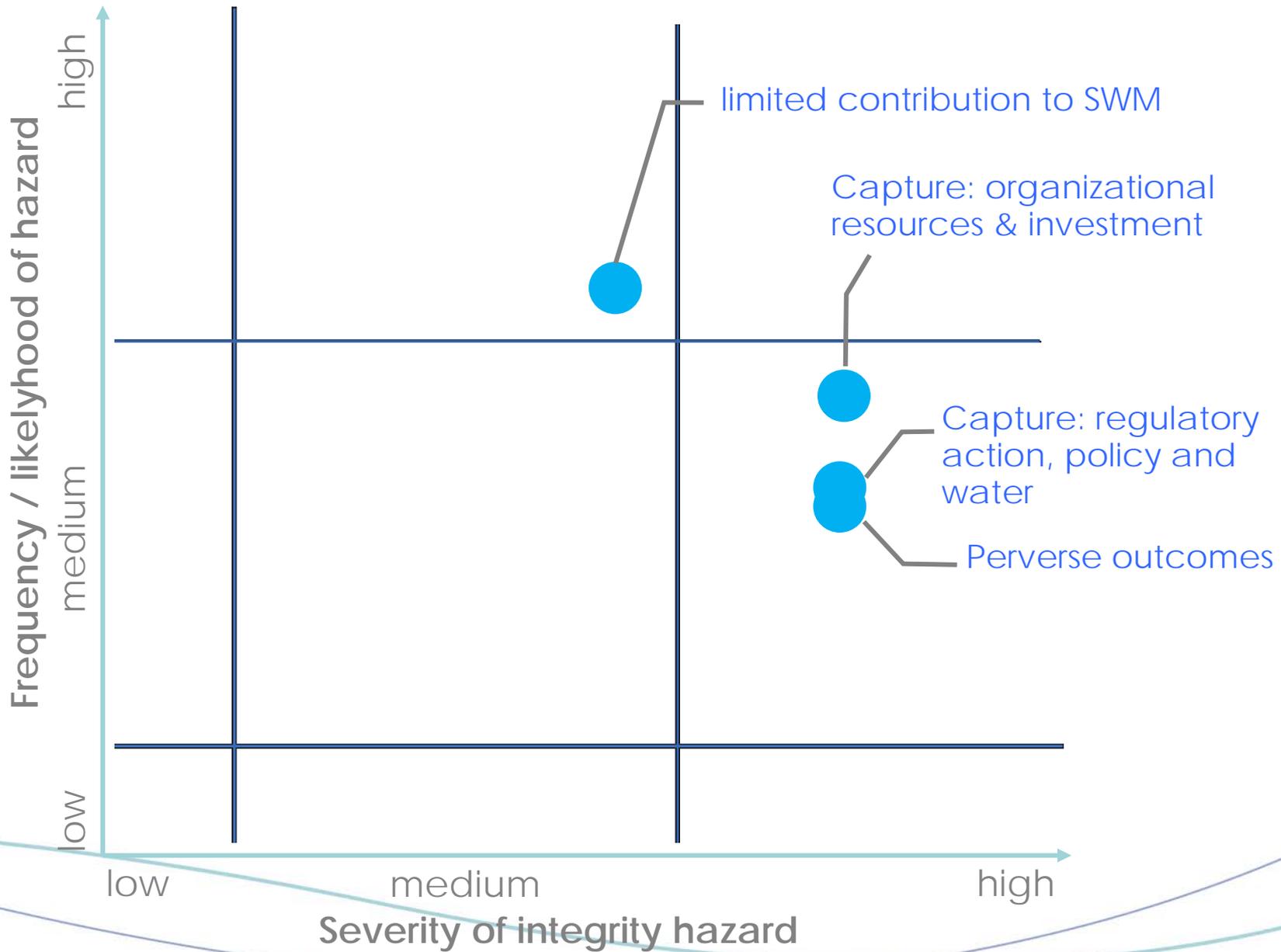
What's to gain from integrity?

- Increasing effectiveness of achieving the initiative's goals
- Earning credibility and reducing reputational risks
- Fostering long term engagement and cooperation
- Supporting staff and reducing risk of of legal transgressions









Risks influenced by contextual factors

- Contestation of legitimate water needs of others stakeholders in the basin
- Transparency, accountability and responsiveness of the policy, regulation and investment context of the WSI
- Cultural and political realities linked to the judiciary and market systems and external events that affect WSI efforts



Operating principles to ensure integrity

- We ensure the WSI aligns with public policy priorities and advances sustainable water management and guard that the WSI does not undermine or negatively influence public institutions or water governance
- We ensure appropriate and balanced representation of interests throughout the course of the WSI
- We are clear and transparent about the roles and responsibilities of WSI participants and ensure that their capabilities are adequate (or are sufficiently developed) to fulfil them



Operating principles to ensure integrity

- We are clear and transparent about water challenge(s) being addressed by the WSI and the agreed scope and predicted benefits
- We are clear and transparent about the WSI's governance approach
- We establish the mechanism(s) through which the WSI will deliver outcomes against stated objectives
- We foster an ethos of trust and establish expectations for behaviour of WSI participants



Specifying the principles

Example of key activities and considerations (shortened):

We ensure appropriate and balanced representation of interests throughout the course of the WSI

- Identify and map interests
- Determine whether all affected interests are appropriately represented through WSI participants
- Where needed, establish an appropriate external engagement mechanism with affected stakeholders to help shape the design of the WSI and its implementation.
- Establish equitable decision making and ensure effective communications among WSI participants
- Monitor representation and engagement and take action to balance out interests where needed



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Operationalising these principles

- Key considerations and activities for each operating principle
- Derive a set of guiding questions for WSI practitioners
- Link guiding questions to each stage of the WSI project management cycle
- Provide a suite of supporting tools to address key WSI integrity risks

