



The CEO Water Mandate

Summary of Steering Committee Conference Call, 26 Sept. 2011

Present: M. Glade (Molson Coors); N. Govender (Eskom); M. Gough (Reed Elsevier); A. Hudson (UN Development Programme); J. Morrison (Pacific Institute); G. Power (UN Global Compact); B. Richter (The Nature Conservancy); J. Rother (Bayer); I. Studer (AkzoNobel Latin America); M. Whaley (Allergan)

Agenda item	
<p>1. Welcome; Recap of Stockholm Conference</p> <ul style="list-style-type: none"> ▪ G. Power and J. Morrison officially inaugurated the CEO Water Mandate Steering Committee for the 2011-2012 period and welcomed the newest members of this governance body: <p><u>Mr Michael Glade</u>, Molson Coors; <u>Mr Nandha Govender</u>, Eskom; <u>Mr Sanjiv Paul</u>, Tata Steel; <u>Mr Jochen Rother</u>, Bayer; and <u>Ms Ivon Studer</u>, AkzoNobel Latin America.</p> ▪ The Secretariat noted that a communication was sent to the entire Mandate endorser base the previous week announcing the confirmed 2011-2012 Steering Committee. The full list of members was also posted on the Mandate website. ▪ For the benefit of the new members, G. Power presented a brief overview of the purpose and modus operandi of the Steering Committee (“SC”), noting that the SC: <ul style="list-style-type: none"> i. <i>Is the principal governance body for the initiative, charged with overall strategic, financial, and some administrative decisions. (The endorser meetings, which take place in conjunction with the Mandate’s working conferences, also serve as a governance fora to allow a larger number of endorser to take up strategic issues as a complement to the Steering Committee. In addition, the working groups associated with the Mandate’s priority workstreams also serve to advance decision-making on key topical activities, e.g., human rights.)</i> ii. <i>Operates on a consensus-driven model, seeking to find compromise and agreement on all issues. If consensus cannot be reached, a vote based on simple majority rule is undertaken. The Secretariat noted that the consensus model has proved quite effective with respect to the Mandate initiative.</i> iii. <i>Includes, at present, two non-voting Special Advisors: <u>Mr Brian Richter</u>, The Nature Conservancy; and <u>Mr Andrew Hudson</u>, United</i> 	

Nations Development Programme. The Constitution of the CEO Water Mandate includes a provision for non-business Special Advisors as a way to include important additional perspectives and views. (See item below on decision related to the naming of additional Special Advisors.)

- G. Power and J. Morrison then provided the following general updates before moving into specific agenda items:
- The recent Stockholm event was the eighth multi-stakeholder conference of the CEO Water Mandate and focused on two of the Mandate's three priority workstreams: corporate water disclosure; and water and human rights. (The third Mandate workstream is public policy; see related item below.) The event also featured an endorsers meeting.
- The water disclosure aspect of the conference was held in partnership with the Alliance for Water Stewardship and the purpose of the session was primarily to advance the development of the global reporting guidelines being undertaken by the Mandate in partnership with several organizations: PwC; CDP-Water; GRI; and WRI. The session was conducted as a public forum, open to anyone attending the general World Water Week conference. Discussions focused on measurement and disclosure as they pertain to the concept of water stewardship. Panel members and attendees were invited to offer their views on a draft structure for the guidelines. The feedback was generally quite positive and constructive, and will not – in the view of the Secretariat – require any major changes. A revised draft of the project's concept note will be shared with the Mandate's disclosure working group. The Secretariat hopes to release the final guidance in Q3 2012.
- The water and human rights session of the conference was held in partnership with the Institute for Business and Human Rights. The primary purpose of the session was to advance the Mandate's work in developing operational guidance for companies on the human right to water. The project is being undertaken in partnership with Oxfam. (During the session, the IBHR released a paper on the human right to water and invited feedback during the discussion.) With respect to the Mandate's draft operational guidance, an annotated outline was shared with participants and J. Morrison providing a comprehensive overview of the content areas. Overall, the feedback was positive, requiring only a few significant adjustments, in the view of the Secretariat. Plans call for the guidance to be developed and released within the next 18 months.
- Following this briefing to Steering Committee members on the main conference, G. Power and J. Morrison provided an update on the Mandate's third workstream – water and public policy. Since the launch of the Mandate's *Guide to Responsible Business Engagement with Water Policy* in November 2010, the Mandate has initiated activities that would draw on the Guide's many principles and recommendations. These activities have included the

convening of special technical assistance workshops in Southeast Asia focusing on water stewardship in the apparel industry, as well as a planned collective action effort in S. Africa (being scoped); and the development of a Water Action Hub designed to “match-make” stakeholders and interested parties with respect to projects or other efforts at the watershed level.

- Because of this evolution within the public policy aspect of the Mandate, i.e., toward collective action, the Mandate’s public policy working group has discussed revising the group’s terms of reference to capture this new collective action dimension. At the endorsers meeting in Stockholm, there was wide support with respect to the Secretariat developing new terms of reference with an eye towards reformulating the working group.

2. Plans Related to Rio+20 Summit

- G. Power provided an overview of the UN Rio+20 Summit. He noted that in addition to the main government discussions and negotiations, to take place on 4-6 June 2012, the UN Global Compact, in partnership with other organizations, will convene a major “private sector track” in the days leading up to the official conference. This will include the convening of the Mandate’s ninth working conference. At the endorsers meeting in Stockholm, endorsers agreed that given its widening portfolio of activities and projects, the Mandate should convene one major conference per year, rather than two. It was agreed that the Rio+20 Summit would be the appropriate event and venue to convene the ninth working conference.
- The Secretariat informed the Steering Committee that space has been reserved for the 31 May-2 June period, and asked SC members if they supported these dates.

SC members expressed their support for these dates.

- The Secretariat informed the SC that a decision was also taken during the Stockholm endorsers meeting to develop a CEO statement to governments, to be released during the Rio+20 Summit. Such a statement, to be signed by endorsing CEOs of the Mandate, would call on all governments attending Rio+20 to elevate the importance of water security and water stewardship, and to work in partnership with business. (A similar letter, aimed at the G-8, was developed by Mandate endorsing CEOs in 2008 and received significant attention.)
- The Secretariat proposed to the SC that the Secretariat begin to develop a draft letter to be reviewed and discussed by SC members during future conference calls. It was proposed by the Secretariat that the timeline call for a draft to be shared with all Mandate endorsers in early 2012 and that the document be finalized – with as many CEO signatures as possible – by May 2012, in time for release at the Summit.

SC members agreed that the Secretariat should begin work on the draft, and agreed to the general proposed process and timeline.

- The Secretariat informed the SC that during the endorsers meeting in Stockholm, endorsers agreed that the Secretariat should seek endorser submissions for the UN Global Compact's Caring for Climate Adaptation report, also planned as a deliverable for Rio+20.

3. Adding Additional Special Advisors to the Steering Committee

- The Secretariat reminded the SC that during the Cape Town conference in November 2010, endorsers agreed to a proposal to add up to four Special Advisors to the Steering Committee, representing various non-business stakeholder interests.
- Following the Cape Town event, both B. Richter of The Nature Conservancy and A. Hudson of the UN Development Programme were confirmed for two-year terms.
- A decision was also taken at the Cape Town event to invite a representative from WaterAid, a group that has been highly engaged in the Mandate, to join the SC. However, management changes at WaterAid delayed the invitation. Recently, though, an invitation was formerly extended to Daniel Yeo, senior policy analyst at WaterAid. The Secretariat is awaiting Mr Yeo's response.
- The Secretariat proposed to the Steering Committee that an invitation also be made to GIZ, the German Government's development agency. The Secretariat noted that GIZ has extensive work in the water space and has been highly engaged in the CEO

<p>Water Mandate. Such an appointment would bring an important public policy voice to the SC, the Secretariat said, adding that following a possible GIZ two-year term, an effort would be made to invite a public policy representative from a developing country – an important consideration with respect to fairness and “balance” within the UN system.</p> <p><i>SC members agreed that the Secretariat should invite a representative of GIZ to join the Steering Committee as a non-voting Special Advisor.</i></p>	
<p>4. Draft Policy on CDP-Water Questionnaire</p> <ul style="list-style-type: none"> ▪ The Secretariat informed the Steering Committee that during the endorsers meeting in Stockholm, endorsers agreed to a proposal to create a policy that would allow Mandate companies to submit a completed CDP-Questionnaire as their COP-Water, if so desired. It was noted that such a policy would reduce “double work” for some companies, provided that the completed CDP-Questionnaire cover all reporting requirements of the Mandate disclosure policy. ▪ Related, endorsers agreed that such a new policy (which would be entirely voluntary) should include the following requirements: i) the completed CDP-Water is made public and posted on the CEO Water Mandate website; ii) that a separate note/attachment accompany the CDP-Water, expressing continued support for the Mandate by the endorsing CEO; and iii) that under the Water and Management section of the questionnaire, the responding company must describe implementation of the six elements of the Mandate, as recommended in the CDP-Water Guidance. ▪ Endorsers directed the Secretariat to draft such a policy and share this with the 2011-2012 Steering Committee during its first conference call. The Secretariat did so, requesting approval. <p><i>SC members approved the draft policy, but asked that it stipulate that a link (rather than a separate note) could also be provided in the completed CDP-Questionnaire to a CEO’s statement of support (which might already be contained in another annual document such as a company’s sustainability report).</i></p> <p><i>The SC directed the Secretariat to share the policy with CDP-Water prior to its official release on the Mandate website.</i></p> <p>5. Draft MOU with the Global Reporting Initiative</p> <ul style="list-style-type: none"> ▪ The Secretariat shared a draft MOU with the Global Reporting Initiative for review. The MOU seeks to drive convergence and 	

harmonization with respect to water disclosure tools and practices.

The SC expressed general support for the broad terms of the draft MOU, with members agreeing to submit any specific suggestions to the Secretariat in the forthcoming days.

6. Update on Alliance with USAID

- J. Morrison provided an update on plans related to the development of a Global Development Alliance with the U.S. Agency for International Development.
- During the endorses meeting in Stockholm, Ms Sharon Murray of USAID presented to endorsers an overview of what constitutes a Global Development Alliance, and reiterated USAID's strong interest in partnering with the Mandate.
- In its role as co-Secretariat and technical advisor to the Mandate, the Pacific Institute is finalizing the extensive application on behalf the Mandate. Such an alliance would cover a range of areas including: developing standards and guidance for water stewardship; and public-private partnerships based on a matching-funds model. Endorsers are invited to submit letters-of-intent to be included in the application; in addition, a number of prospective partner organizations are being invited to submit letters where aligned with the Mandate's proposed activities.

7. Other Items

- The Secretariat informed the SC that during the Stockholm endorsers meeting, endorsers agreed that consideration be given to creating a special "Supporting Stakeholders" section on the Mandate website to cite and recognize non-business organizations that are supporting the Mandate in one form or another.
- While SC members strongly echoed this support, a lengthy conversation ensued about what criteria to apply to this category – ranging from rather basic criteria linked with attendance at Mandate events, to more stringent criteria – perhaps including a formal letter of commitment by the stakeholder group.
- One SC representative expressed the strong opinion that any criteria should reflect "material" involvement in the Mandate. This opinion was supported by other SC members.

At the close of the discussion, the SC agreed that the Secretariat should draft a "commitment" letter for non-business organizations (in order to be officially recognized on the Mandate website). It was agreed that the letter, while not being too prescriptive, should include the notion of a formal declaration of support for the Mandate and its objectives, as well as an indication of how the

given organization plans to contribute to the Mandate. The letter would also encourage supporting organizations to regularly communicate their progress in supporting the Mandate. The SC agreed to discuss and review the draft letter during a subsequent conference call.

- The Secretariat informed the SC that the Mandate Secretariat is contributing to the Bonn 2011 Nexus Conference in November by organizing a special hop-topic session on water stewardship. This being done in partnership with the Alliance for Water Stewardship and the World Business Council on Sustainable Development.
- The Secretariat informed the SC that the Mandate's new website is entering its final stage of development and should go live in 6-8 weeks.
- The Secretariat said the next conference call of the SC will take place in November, date to-be-confirmed.