



# The CEO Water Mandate

## **CEO Water Mandate Collective Engagement Working Group DRAFT: Terms of Reference (January 9, 2012)**

### Background

In November 2010, the UN CEO Water Mandate released the *Guide to Responsible Business Engagement with Water Policy*. The guide promotes the concept that responsible (and by definition, effective) corporate engagement with water policy entails that companies contribute to shared policy goals and support policy that is developed and implemented in a way that is effective, equitable, and inclusive for all water users. Responsible engagement, as presented in the Guide, reflects a broader approach to corporate engagement than direct policy advocacy and lobbying.<sup>1</sup> This interpretation includes both direct promotion of good legislation and strengthening of policy implementation and local water management and includes corporate engagement with non-public sector entities that influence or are affected by water policy decisions and management.

The case for responsible engagement is built on the premise that water-related risks are shared between government, business interests, communities, and the environment, and the Guide reflects the belief that facilitating equitable processes through which all affected parties can come together and contribute to mitigating these shared risks is a powerful tool for combating this century's emerging water issues. This leads directly to a "shared-risk, shared action model" whereby common problems that pose risks to businesses, society, and governments can best be addressed through joint efforts that generate common understanding, strategies, and solutions – essentially "shared value." Success in responsible engagement is thus critically tied to effective collective action among all parties with a stake in sustainable water management at whatever scale the risk exists – local, regional, national, or international. The Guide further indicates that, by aligning corporate practice with responsible engagement principles, companies can better secure the broad stakeholder support that must be attained to contribute to and progress toward sustainable water management.

Although stressed throughout the Guide, the emphasis on effective collective action and stakeholder understanding and support is most clearly articulated under Principle 3 - Strive for Inclusiveness and Partnerships. This Principle states "responsible engagement in water policy promotes inclusiveness and partnerships across a wide range of interests." In this context, the Guide establishes trust and cooperation among stakeholders as a critically important aspect of effective water policy engagement, and the Guide indicates effective engagement requires

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<sup>1</sup> The Guide defines responsible engagement as "corporate water management initiatives that involve interaction with government entities, local communities, or civil society organizations with the goal of advancing 1) responsible internal company management of water resources within the direct operations and supply chains in line with policy imperatives and 2) the sustainable and equitable management of the catchment in which companies and their suppliers operate."

establishing equitable, legitimate multi-stakeholder decision-making processes that will support meaningful and credible participation by all affected parties.

### Objective and Function

The purpose of the Mandate's Collective Engagement Working Group (CEWG) is to provide input and feedback to the Mandate Secretariat on the research and advancement of a number of different projects related to its workstream on corporate engagement in water policy and in collective actions on water at the local and regional levels. Presently, these projects include, but are not limited to:

- The Water Action Hub, an online tool that will be publicly available to allow companies to more easily identify and collaborate with other businesses and relevant governments, NGOs, communities, and other stakeholders to advance sustainable water management on a location-specific basis,
- A good practice guidance that identifies and characterizes a variety of engagement methods and collective action models and that is designed to help companies establish enduring relationships with a broad spectrum of stakeholders, leaders, and individuals who are directly affected by or within the sphere of influence of a company's operations
- The advancement of on-the-ground collective action efforts such as those underway or being developed with UNEP, USAID, GIZ, among others.

Generally, the CEWG will help the Secretariat develop strategies and actions that catalyze sustainable and resilient productive use of water in industry and agriculture through strengthened corporate water stewardship practice and engagement in water governance.

The goal of the CEWG is to help ensure that the Mandate's activities and research on this topic are credible and add maximum value to companies, their stakeholders, other water-related global industry initiatives, and other key partners and interests.

### Membership

All interested representatives from Mandate endorsing companies are welcome and encouraged to join the CEWG at any time. Stakeholders from other sectors will join CEWG meetings on an *ad hoc* basis when appropriate.

### Scope of Activity

Members of the CEWG will be asked to assist the Mandate Secretariat on matters such as:

- Development of an operational framework for developing and facilitating on-the-ground collective action projects
- Research scope and approach (i.e. help define topic/structure/methodology for research projects)
- Project work plans (i.e., help establish CEWG activities, review periods, deadlines, etc.);
- Review/comment on draft documents and other outputs
- Strategic planning and positioning in the broader water stewardship landscape

Membership in the CEWG consists primarily of participating in periodic teleconference calls roughly once every month or two, as well as reviewing and commenting on draft project documents and/or analytical exercises as appropriate and feasible.

#### Decision-making

The CEWG will aim to make all decisions by consensus. In cases when consensus cannot be reached on a matter, the Mandate Secretariat will take the final decision trying to reflect as many CEWG members' views as possible.