

**UNEP-CEO Water Mandate Joint Workshop on
Water Accounting Methods and Tools, Stockholm, 16 August
2009**

**UNEP Water Footprint, Neutrality &
Efficiency (WaFNE) Project
in support of CEO Water Mandate**



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UNEP DIVISION OF TECHNOLOGY, INDUSTRY AND ECONOMICS

UN Global Compact and UNEP

UNGC objectives:

- Mainstream the ten principles – incl environmental responsibility - in business activities around the world
- Catalyze actions in support of broader UN goals, incl Millennium Development Goals (MDGs)



UNGC participation benefits:

e.g. “the opportunity to advance sustainability solutions in partnership with a range of stakeholders, including UN agencies, governments, civil society, labour, and other non-business interests”

UNGC core UN agencies:

e.g. UNEP – guardian of the environment principles





Business & water project

Overall Goal:

- To enhance water efficiency and water quality management through the refinement of water accounting/ footprint and water neutrality methodologies with support of related management tools, their testing and application in...
- (i) high water impact and water dependent industry sectors, used by their financiers and investors in due diligence and stock picking exercises, as well as
- (ii) water-stressed / scarce regions, used by public authorities in local water service and conservation operations.

Outputs:

- Methodologies, tools / guides, capacity platform, dialogue forums, country pilot tests / demonstrations, awareness raising & communications

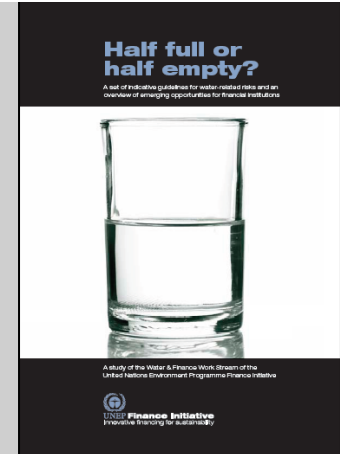


Business & water project

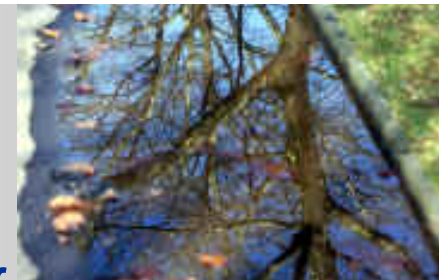
Time frame: 3 years (2009/10 – 2012/13)

Partners:

- UNEP: UNEP SCP Branch (Paris), UNEP Finance Initiative (Geneva), International Environmental Technology Centre (Osaka, Shiga)
- UN Global Compact – CEO Water Mandate
- Business & Industry: participant companies, organizations
- Relevant UN institutions, expert institutes & networks incl. UN-Waters, Pacific Institute, Water Footprint Network and UNEP/ SETAC Life Cycle Initiative



Proposed activities



Component 1: Refinement, promotion of methodologies and tools for application of water accounting/ footprinting related concepts / tools

Component 2: Applying water accounting/ footprinting related concepts & management tools in selected industry sectors

Component 3: Using water accounting/ footprint and related concepts in financial sector

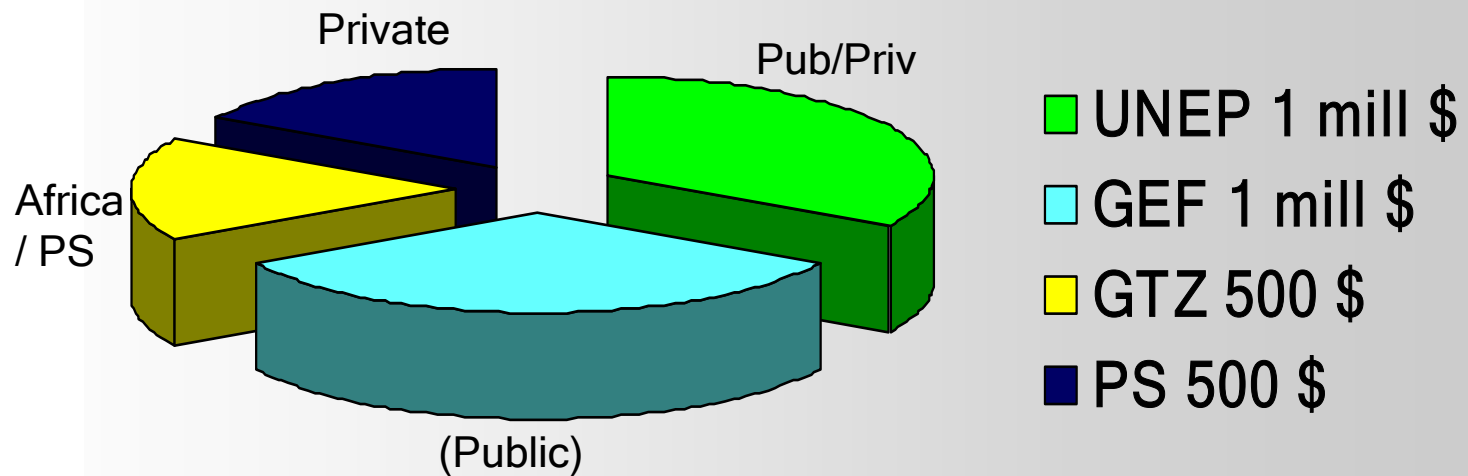
Component 4: Applying water accounting/ footprinting and related concepts in selected geographical locations





Business & water project: funding

> US\$ 3 million over 3 yrs



Target geo-locations & industries



Target geographical areas and industrial sectors to be selected on the basis of:

- level of water stress and scarcity, current and projected;
- level of national industrial output, water use and environmental inefficiencies;
- economic and environmental importance of targeted industries, considering major agricultural exporters and industrial suppliers of global supply chains;
- willingness of decision-makers and organisations in targeted areas / sectors to participate;
- assessment of potential for replication and wider adaptation in country, region.



Target countries

Pilot testing & demonstrations foreseen in 6+ countries. Considering project criteria, to be selected from...

- (i) Asia: **China, India**, Pakistan, Sri Lanka, Thailand
- (ii) Africa: Algeria, Egypt, Kenya, Malawi, Morocco, **South Africa**, Tunisia
- (iii) (resources depending), also Latin America, where countries face variation internally (scarcity in some areas, abundance in others) and have internal distributional challenges: Argentina, Chile, **Mexico**, Peru
- (iv) (resources depending), also Eastern Europe, where countries face water challenges: **Ukraine, ...**



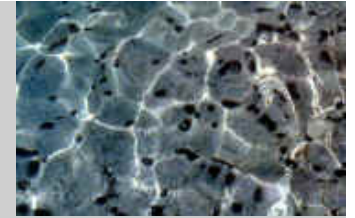
First activities foreseen



- **Water accounting methods (Water Accounting/ Footprint, Neutrality & Efficiency) stocktaking/ mapping exercise leading to a UN joint Global Compact/ UNEP report**
- Coordination with other initiatives around emerging trends and practice in water disclosure
 - in partnership with UNEP FI, GRI and the CEO Water Mandate
- Solicitation and Coordination of Pilot Testers
 - invitation letter soliciting CEO Mandate endorser participation in joint pilot projects with UNEP focusing on testing water accounting methods
 - emphasis on water-related supply chain engagement, capacity building and mitigation activities on the ground
- Meetings on the above and public-private engagement at the company level and in geographic locations
 - Jointly by UNEP SCP Branch and IETC



Water Accounting Stocktaking Analysis



- **Stocktaking exercise mapping the state-of-play with regard to water accounting methodologies and supporting tools**
- **Perceived need:** to align water, carbon and related footprinting initiatives
- **Purpose:** to elucidate commonalities and differences among emerging methods and practice, to identify gaps and challenges, and to inform where water accounting methods might benefit from harmonization and increased field testing
- **Process:** to facilitate an objective assessment, the research methodology will emphasize an iterative and inclusive data collection and analytical evaluation process, whereby key stakeholders will be proactively engaged throughout the project
- **Approach:** to collect data, the research methodology will include reviewing current literature, interviewing key academics, industry representatives and practitioners in particular of water and carbon footprint and life cycle assessment tools, attending relevant water accounting gatherings, and collaborating with public agencies and non-governmental organizations working in the field





Milestones in Stocktaking Analysis

	Steps	Timeframe
	Preliminary Research: Literature review and situational assessment	Jul –Aug 2009
	UNEP-CEO Water Mandate Joint Workshop on Water Accounting Methods and Tools in Stockholm	16 Aug 2009, 4.30-7:00 PM
	Recruitment of a Project Advisory Committee (PAC)	Aug-Sep 2009
	Data Collection and Analysis: including survey/ interviews of companies that have pilot tested water footprint methods and/or conducted extensive LCAs focusing on water	Aug-Sep 2009
	1st PAC teleconference to discuss research methodology, key issues and preliminary findings of project team	Sep 2009
	Drafting and PAC Consultation of report	Oct-Nov 2009
	Public review of draft report	Nov 2009
	UNEP-UN Global Compact Consultation Meeting on Draft Report in Paris	23/24 Nov 2009
	Revision of draft report based on comments received	Nov- Dec 2009
	Publication and dissemination of final report	Dec 2009



Geographical Applications

Applying water footprinting and related concepts in selected geographical locations under water stressed/water scarcity

Activities foreseen

1. Stocktaking activities

- To analyze existing tools and methods for water footprinting and neutrality concepts applied within a geographical area
- To identify and analyze measures to reduce water footprint and offset the impacts of water footprint, from urban, agricultural, industrial and other areas

2. Country level pilots tests, demonstrations and training in the application of water footprinting and neutrality enhancing methodologies and approaches

- To carry out water footprint accounting and impact assessment in select locations
- To identify and implement on a pilot basis options to reduce negative impacts of water footprints and evaluate feasibility of offsetting residual impacts of water footprint, with targeted training
- To assess whether guidelines for applying the water footprint concept and improving neutrality at a city, local or regional level could be developed



Expected outcome: Water efficiency and quality are enhanced by applying the water footprint / neutrality concepts and related management tools in water scarce and water stressed locations

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